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CAPUTO WARNS SOUTH AFRICA ON RACE POLICY

PY171936 Buenos Aires BUENOS AIRES HERALD in English 17 Aug 85 p 9

[Text] (NA-UP-DYN) -- Foreign Minister Dante Caputo yesterday did not rule out the possiblity of breaking off diplomatic relations with South Africa over its discriminatory apartheid system against the black majority and emphasized that Argentina "is neither tied to anybody nor falls in line with the opinion of any major country, especially in matters like this." Speaking on Radio El Mundo, Caputo said the situation in South Africa is "extremely unfortunate" and added that the message read by South African President Pieter Botha before the National Party congress "at first glance does not reflect any real decision to change the status quo."

Regarding President Raul Alfonsin's trip to France, Yugoslavia, and West Germany next month, Caputo said economic co-operation would be the top priority, including possibly making an appeal for European private capital investment in specific areas as on his U.S tour.

The minister reiterated statements made in an interview with the daily LA NACION last Wednesday that Argentina "would not form part of the Contadora Group" seeking peace in Central America, but would "actively co-operate by helping to propose political solutions." He denied, however, that Argentina would assume the role of mediator between Nicaragua and the United States.

Caputo also warned in the daily of the "enormous danger" for the region in the Communist Party of Chile's theory of popular uprising. "Democracy is the best safeguard to avoid against the proliferation of these kinds of situations," he said.

Regarding the Malvinas conflict, the minister said the European Economic Community (EEC) countries "should assume" the price of their position. First they "recognize the principle of national sovereignty," he said, "and then they base their abstention on the principle of solidarity with EEC members."

Caputo aslo called the 360 billion (thousand million) dollar Latin American foreign debt "profoundly unjust" with political consequences throughout the region.

SWAPO LEADER ARRIVES, COMMENTS ON RELATIONS

PY171942 Buenos Aires DYN in Spanish 1653 GMT 17 Aug 85

[Text] Buenos Aires, 17 Aug (DYN) -- Andimba Toivo Ja Toivo, secretary general of the South-West African People's Organization (SWAPO), asserted when he arrived here today that the breaking of relations between Argentina and South Africa "would be much welcomed by us." He also expressed appreciation for the "successive efforts" made by Buenos Aires to improve relations with black Africa. Toivo also "regretted" the support for the racist Pretoria regime by the last Argentine military government, but he ruled out that this fact could be held against "the present Argentine position." Toivo, who is one of the leaders of the troops fighting apartheid, said the South African racist system "is about to fall," and included President Raul Alfonsin's government among the "enemies" of racial discrimination.

The SWAPO secretary is in Buenos Aires to participate in a seminar organized by the Commission for Development of Argentine-African Relations. Justicialist Deputy Antonio Paleari, who is president of that organization, received Toivo at Ezeiza International Airport. The African leader will talk with members of the commission on the possible breaking of Argentine relations with South Africa, on apartheid as practiced by the Pretoria government, on independence for Namibia, and on nuclear proliferation in the South Atlantic. The symposium will be held from 1921 August at the General San Martin Cultural Institute here.

Toivo was pleased by "the successive efforts the current Argentine Government is making to improve relations with black Africa" and termed "regrettable the support given by the last military government for the apartheid regime." He added, "That is easy to forget and it is possible to mend the relations with the African peoples. My presence here is proof of that."

Regarding events now taking place in South Africa, the SWAPO leader said, "The Pretoria regime is about to fall and is only in the last [words indistinct]. He recalled: "The South African president has made certain statements, promising that he would make changes. But we can see that this has not happened and that they were only words." Toivo attributed to President Pieter Botha the intention of "making efforts to continue pressure by the white majority on the black majority."

When asked whether the crisis of the Pretoria government could lead to the liberation of Namibia and other neighboring area peoples, Toivo said, "The South African regime is under pressure from its allies and also from its enemies." He added, "The enemies are all those people who are struggling for their independence, both in Namibia and South Africa, as well as in other countries, such as Argentina." Toivo said that "these are people who will put pressure on their brothers in South Africa not to continue their apartheid system."

In reply to another question, the SWAPO leader explained that the oppressive apartheid system "has continued for many years, but right now it is not very successful, because the people know very well that it does not take them anywhere; it only isolates them." He added that "they are now very much ashamed and regret it," and then stressed that "the government may lose its credibility, and that is what the whites fear."

In reply to a question on whether the conflict might be solved by political negotiations or by an armed struggle, Toivo said, "Both methods may be used. The political and diplomatic methods have failed so far, both in South Africa and Namibia, but we wish all problems to be solved peacefully." The leader said, however, that "the situation is very difficult," ascribing this difficulty "particularly to the fact that the white people turn a deaf ear." He continued, "So there was no other choice but to take up arms. In Namibia they have started a struggle of their own for the same cause."

Referring to the attitude of the white population born in South Africa (Boers), Toivo said, "My people know that they are not very sincere," after which he listed a few agreements which he said had been "repeatedly broken."

Regarding the possible breaking of Argentine diplomatic relations with South Africa, Toivo said "We very much appreciate that possibility and we are waiting for it."

REPORT ON FUEL SHIPMENT TO FALKLANDS DENIED

PY202347 Buenos Aires TELAM in Spanish 1743 GMT 20 Aug 85

[Text] Buenos Aires, 20 Aug (TELAM) -- The Government Oil Deposits [YPF] today categorically denied a report, published by some morning newspapers on 19 August, that at the La Plata port, the U.S.-flag ship Patriot has loaded a 25,000-ton gas-oil shipment bound for the Malvinas. YPF explained that the shipment was ordered by the Phibro Energy Company, which was confirmed by a telex sent to YPF, and that the shipment is bound for Guayaquil, Ecuador. YPF added that the fuel has been shipped to the Ecuadoran State Petroleum Corporation, which will issue the corresponding receipt.

COB MEETS WITH PAZ ESTENSSORO ON ECONOMIC MEASURES

PY200257 La Paz Cadena Panamericana in Spanish 0000 GMT 20 Aug 85

[Text] Bolivian President Victor Paz Estenssoro has promised to respect all social benefits that the workers have obtained so far, such as comanagement of certain enterprises, job stability, and many others, Bolivian Labor Federation [COB] Secretary General Walter Delgadillo told this station today, after a meeting the COB Executive Board held with the president.

COB leaders began meeting with the president, his advisers, and members of his cabinet at 0930 this morning to discuss economic measures the government will implement in the near future.

Walter Delgadillo explained that the workers briefed the government on the critical situation of the workers and also on aspects that have to do with national economic and financial activities, like the foreign debt, the status of private banks, the (Sapi-Consur) Corporation, and the workers concern over their rights. Delgadillo reported that the chief executive explained to the workers' leaders the difficult situation in which he found the economic and financial structure of the nation and the low level of foreign reserves inherited from the former administration.

Delgadillo indicated that one of the main concerns of the COB had to do with the investments law because the nation's natural resources are at stake. Other problems brought to the attention of the chief executive had to do with wages and salaries, high prices and taxes.

Anibal Castanon, one of the secretaries of the COB, read to this station a communique which the organization released in connection with the meeting it held with the government.

[Begin recording] Pursuant to an invitation of the president of the nation, the COB Executive Board this morning participated in a meeting, which was attended by Mr Paz Estenssoro and the planning minister. During this meeting, the government explained the guidelines of the economic policy which it will implement during its term in office. Thus, the following must be pointed out:

First, this policy will be essentially based on foreign investments and will be directed at preserving multinational business interests.

Second, the COB Executive Board reiterated the viewpoints of the workers organizations regarding the main interests of the exploited masses, the defense of natural resources, national sovereignty, democratic freedom, the peasants' demands, salaries, prices, the supply of staples, job stability and the need for solutions to growing unemployment. [end recording]

Anibal Castanon went on reading the communique of the COB after its first meeting with the president of the nation. As you heard, the planning and coordination minister was present at the meeting.

[Begin recording] Within this context we conveyed our concern over dependency and the tasks that must be carried out in the struggle against imperialism.

Third, in this regard the COB will not sway from its line of behavior, which has always been to serve the workers and their historic interests, which means that it will not support any economic or social measures that, in the final analysis, will have to abide by the guidelines of the IMF and the international private banks.

Fourth, notwithstanding, the COB will continue its struggle of permanent defense of labor benefits and will attend any talks that may prove necessary.

Signed by the entire Executive Board of the COB. [end recording]

The willingness to maintain dialogue prevailing through the COB communique is worth pointing out. The position of the top labor organizations was frankly explained to the government and having received equally clear-cut answers the workers are prepared to continue the dialogue with the new government.

PEASANT GROUP ISSUES 'STATE OF EMERGENCY' ALERT

PY210331 La Paz Radio Fides in Spanish 2330 GMT 20 Aug 85

[Text] The National Executive Board of the Single Trade Union Confederation of Bolivian Peasant Workers [Csutcb] has decided to declare a state of emergency and general mobilization for all member organizations because of the attacks that have been perpetrated in the interior of the country against various peasant leaders, and attempts to take over offices of peasant workers organizations.

The Csutcb also instructed its members to be on the alert and await the instructions from the organization. The decision of the top peasant organization is stated in the following communique:

The Csutcb has received concrete reports on raids, attacks, and physical attacks peretrated against legally recognized peasant leaders and union property in the departments of Oruro, Tarija, Santa Cruz, Cochabamba, and Chuquisaca and against news media that defend the interests of the exploited people of this country.

The Csutcb National Executive Board has declared the state of emergency and general mobilization for all peasant unions, precincts, provincial branches, and departmental federations and urges them to remain on alert for any call that the organization might issue.

BRIEFS

AMBASSADORS RESIGN -- La Paz, 10 Aug (AFP) -- The Bolivian Foreign Ministry has reported that Mariano Baptista Gumucio, Luis Adolfo Siles, and Carlos Romero Alvarez Garcia, the Bolivian ambassadors to the United States, Spain, and the Vatican, respectively, have submitted their resignations. Alfonso Crespo Rodas, the Bolivian respresentative to the international organizations headquartered in Geneva, has also resigned from his post. [Summary] [Paris AFP in Spanish 1507 GMT 10 Aug 85 PY]

FINANCE MINISTER DISCUSSES DEBT, IMF NEGOTIATIONS

PY201719 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Aug 85 p 50

[Interview granted by Finance Minister Francisco Dornelles to O ESTADO correspondent Carlos Chagas in Brasilia -- date not given]

[Text] [Chagas] Are Brazil, the IMF, and the creditor banks at odds?

[Dornelles] Brazil's negotiations with the IMF are separate from those with the creditor banks. In fact, Brazil does not need to negotiate with the IMF, just as the IMF does not need to negotiate with Brazil. But the negotiations with the IMF are necessary because the creditor banks condition the multi-year negotiation of the Brazilian foreign debt on an agreement with the IMF so that the latter can watch the performance of the Brazilian economy. It is important to note that the IMF does not establish an economic program for Brazil. It only evaluates such economic aggregates as the public sector deficit, the liquid internal credits, the balance of payments, the money supply, the monetary base, and the internal public debt.

Brazil and the IMF are not at odds, because the Brazilian Government is just as interested in eliminating the deficit of the public sector, reducing inflation, balancing external accounts, controlling the monetary base and the money supply, and, consequently, controlling the expansion of the internal debt. The internal readjustment of the economy is in our country's interest more than that of the IMF, because if we do not exert some control over these aggregates, there can be no sustained economic development.

Brazil and the IMF may have differences over the speed at which the readjustment can be made. Brazil may think in a certain year its deficit should represent more percentage of the gross domestic product and the IMF may think that percentage should be reduced. We may find that the expansion of the monetary base should have certain limits, and the IMF may find that it should have a lower limit. Likewise, Brazil and the IMF may be at odds over the desirable limit of our internal debt. Brazil and the IMF, do not argue over the need for an internal adjustment of the economy. We might, however, argue over how to make that readjustment and how fast it should be made.

[Chagas] Is there any difference between this year's negotiations and those that will be needed for 1986?

[Dornelles] Brazil reopened negotiations with the IMF in June. IMF missions came here, and Brazilian missions went there. The figures related to the Brazilian economy were presented for examination. The examination is continuing and the talks are still in progress. Just like the IMF and the creditor banks, Brazil understands that it cannot sign an economic program containing commitments that have already been broken even before the IMF Board had time to approve them. During the campaign of the Democratic Alliance, Tancredo Neves and Jose Sarney repeatedly said they would not do this. The IMF is also now more cautious than in the past. It now has a better understanding of the Brazilian economic structure, and thus it does not want to approve goals that are unreachable. The signing of an agreement with the IMF containing commitments that we would fail to comply with in the short term would be of little help in negotiating with the creditor banks.

For that reason, I believe that the ideal solution would be for Brazil to present a program to the IMF that is considered feasible for 1985 and, without signing a letter of intent, for both to monitor the development of that program during the months of August, September, and October. By that time, the decisions the Brazilian Government adopted in July to improve revenues and to curtail expenditures should be yielding results. During the period when Brazil and the IMF are jointly monitoring the 1985 program, they should also begin to negotiate the program for 1986. The August-September-October results should provide the basis for signing a letter of intent for 1986 with less margin of error.

Should we sign a letter of intent for 1986 and deviations should be noted 5 or 6 months later, they should only be of small importance. These deviations should occur because economics is not an exact science. What we whould not do is precipitously sign a letter of intent only to verify large deviations later. This would discredit Brazil and the IMF. The road I consider more reasonable for the negotiations calls for caution.

[Chagas] What about the creditor banks?

[Dornelles] Brazil is currently negotiating with the banks to refinance a debt of approximately $45 billion falling due in the 1985-91 period. There are also two short-term lines of credits, one of $10 billion for commercial operations and another of $6.5 billion in interbank credits. The deadline for the short-term lines of credits, one of $10 billion for commercial operations and another of $6.5 billion in interbank credits. The deadline for the short-term lines of credit is 31 August. Brazil intends to obtain an extension from the banks for the longest possible period of time. Last May, the banks agreed to extend the short-term credits for 3 months. The best solution would be to obtain an extension until February 1986, because by then Brazil would be in the position to sign a letter of intent with the IMF and to begin the multi-year negotiation of the debt; that is, the refinancing of the $45 billion falling due over the 1985-91 period.

[Chagas] Could not the Brazilian foreign debt negotiations be conducted in political terms, in the context of the Cartagena Consensus, the EEC, or some other organization?

[Dornelles] We must separate technical negotiations from political negotiations. The debt negotiations with the banks must be conducted by our Central Bank, according to guidelines laid down by President Jose Sarney. This technical discussion will review such technical problems as the period of refinancing, grace periods, the spreads, and specific clauses inherent in this type of negotiations. This is the way Argentina, Chile, Venezuela, and Mexico negotiated their foreign debts: The respective central banks negotiated directly with the creditor banks.

Brazil will not negotiate its debt with the foreign banks in the context of the Cartagena Consensus or the EEC, or any other organization, because these negotiations would not only be ineffective but impossible. This does not preclude of course, the debt policies of Latin American countries being examined and discussed at meetings of international organizations. In those organizations the representatives of Latin American countries could choose the strategy for discussing with the governments of the creditor banks ways to reduce or alleviate the impact of the foreign debt on their economies. They could even ask the governments of the creditor banks to grant new money, according to a percentage of the interest paid and the interest due. But technical negotiations cannot be mixed with political negotiations. The former should be conducted by the Central Bank with the creditor banks, and the latter should be conducted between governments.

To tackle technical negotiations, one cannot wait for those ideas that have been developed in the political field to bear fruit. The protectionist policies implemented by the governments of the creditor banks' home countries should also be examined in the political field, because that policy puts a crimp on the export trade of debtor countries, affecting their capacity to repay their debt. Caution should be exerted in those political negotiations in order not to raise panic in the international financial community, thus creating difficulties for the technical negotiations.

In the particular case of Brazil, any idea in those political talks that may suggest nonpayment of the debt, disguised nonpayment, or half payment could create great difficulties for the extension of the short-term credits, thus resulting in great obstacles for our economy. Incidentally, Foreign Minister Olavo Setubal, a competent politician and a banker who has a thorough knowledge of international and domestic finances, has said that he is aware of this problem.

[Chagas] Are we going to need new money soon?

[Dornelles] The inflow of new resources is extremely important to accelerate our economic development. Brazil should make it clear to the international community that it poses no restrictions on the entry of risk capital. To that end, it should get rid of some xenophobic tendencies that are harassing foreign capital.

Brazil is also receiving loans from international organizations. At this time, the foreign private banks are voluntarily offering Brazil new money in short-term commercial credits and long-term import financing. However, in the multi-year negotiations regarding the refinancing of the $45 billion falling due over the 1985-91 period, we will not ask for new money. We will only negotiate the refinancing of this debt, which is one case by itself. The request for new moeny is another case. Brazil has the right to request new money from the banks, and the banks have the right to deny it. But Brazil will not try to include in the negotiations to refinance those $45 billion any clause committing the banks to give new money, nor will it accept any clause restricting or banning the raising of new money.

Once Brazil has honored its foreign commitments, has maintained its credibility, has made the internal readjustment of its economy, and has balanced its external accounts, I believe it will again receive new money voluntarily offered by the foreign banks.

[Chagas] Is there any contradiction between the assertions you have made so far and the speech President Jose Sarney delivered in Montevideo this week?

[Dornelles] President Jose Sarney has been very correct in his latest statements on the international financial problems. He has noted, as he did quite clearly in Montevideo, the difference between the technical and political negotiation of the debt. In the political field, he has pointed out the risks a recession could pose not only for the Latin American continent but also for the entire international financial community. One of the consequences would be the reduced capacity of the debtor countries to honor their external commitments. The president has criticized the protectionist practices of the developed countries, practices that have extremely negative effects on the economies of Brazil and the other Latin American countries.

I would like to add that the countries that put up customs barriers against our products very frequently subsidize their exports to third countries by financing their domestic production. This has made it difficult for Brazil to expand its exports.

In the case of Brazil, about 24 products, with a commercial value of more than $2.5 billion, are subject to some kind of obstruction in the United States, such as countervailing taxes, quotas, or safeguard measures. I understand that President Jose Sarney's concern is not only that the developed countries and the international community should not raise obstacles to the economic growth of the developing countries but that they should also help that growth. This does not mean that Brazil should ignore the need for an adjusted economic policy, which is of more interest to Brazil than to other countries or international organizations.

GOVERNMENT REPORTED TO POSTPONE DECISION ON CUBA

PY200005 Madrid EFE in Spanish 1710 GMT 19 Aug 85

[Text] Brasilia, 19 Aug (EFE) -- The Brazilian magazine VEJA reported in its latest issue that the Brazilian Government has postponed until next year a decision on reestablishing relations with Cuba.

A high-ranking Brazilian Foreign Ministry source told EFE today that President Sarney's agenda has several domestic priorities such as the agrarian reform bill, the problems besieging the political coalition that supports the government, and the municipal elections set for November of this year. Brazil broke diplomatic relations with Havana in April 1964 on the grounds that the Cuban Government was interfering in Brazilian Domestic affairs. Since the civilians have taken power, left-wing groups have been asking the government to resume relations with Cuba.

The same source indicated that Sarney wants to evaluate the plan to reestablish relations with the National Security Council at a meeting for which a date has not yet been set. The Brazilian Foreign Ministry has drawn up a lengthy analysis of the plan, taking into account the aspect of national security, and submitted it for Sarney's consideration.

Rubens Recupero, the president's top adviser for foreign policy, told two foreign journalists 2 weeks ago that it is difficult to predict when a decision will be made regarding reestablishing relations with Cuba.

According to VEJA, the Army as whole is opposed to the endeavor and the magazine emphasizes that the government does not want to create any more problems with the Cuban affair.

CHILEAN EXILES OCCUPY SAO PAULO CONSULATE

PY202356 Madrid EFE in Spanish 1547 GMT 20 Aug 85

[Text] Sao Paulo, 20 Aug (EFE) -- About 100 Chilean exiles today occupied the Chilean Consulate in Sao Paulo to protest violations of human rights in Chile. The invasion of the Chilean mission was peaceful, produced no armed confrontation, and lasted for almost 1 hour. The exiles then left the building peacefully. The exiles demanded that they be allowed to read a manifesto protesting the regime of General Augusto Pinochet. In the document, they accused him of promoting, through the killing of political opponents, a climate of confrontation in Chile.

The Sao Paulo Federal Police arrested some of the exiles for questioning, and then released them, the authorities reported.

SOUTH AFRICAN SOLIDARITY COMMITTEE ESTABLISHED

PY201341 Paris AFP in Spanish 2138 GMT 19 Aug 85

[Text] Rio de Janeiro, 19 Aug (AFP) -- One of the main objectives of the Committee of Solidarity with South Africa and Namibia established in Rio de Janeiro today is to make the Brazilian Government sever all diplomatic and economic ties with the colonialist Government of South Africa.

In a document released today in Rio de Janeiro, the founders of the committee stated that the even when the Brazilian people were unable to openly state their opinions, they always supported the cause of the downtrodden and discriminated against South African people.

The members of this new committee explained that the organization will launch information campaigns about the status quo of countries in southern Africa emphasizing that colonialism, racial discrimination and the current South African regime are permanent sources of tension and threaten world peace.

POLICE ARREST 5, SEIZE AMMUNITION SHIPMENTS

PY201226 Madrid EFE in Spanish 0104 GMT 20 Aug 85

[Text] Campo Grande, 19 Aug (EFE) -- The Brazilian Federal Police have arrested five people, including two policemen, while they were smuggling in from Paraguay ammunition that was going to be used in the clashes between the Indians and settlers in the Amazon State of Goias, according to information released today in Campo Grande, the capital of Mato Grosso do Sul State.

The smuggled shipment was discovered during checks the police carried out on 17 August along a highway near the border. At the first checkpoint, the police seized 40,000 rounds of .38 caliber bullets that were being transported by Josias Zenelli, an inspector of the civilian police, and Manuel Rodriguez, a military police sergeant, both serving in northern Goias State. A few hours later on the same highway, the police arrested three other smugglers, also from Goias, who were driving two cars that were carrying more than 1,000 boxes of .22 and .38 caliber shells.

The Federal Police are currently investigating the possible links between the two gangs. They have ascertained that the destination of the ammunition was the Amazon area in northern Goias State, which is being settled by farmers and where armed clashes between Indians and settlers frequently occur.

CARVAJAL ON PERU'S MILITARY FREEZE PROPOSAL

PY202320 Santiago Television Service in Spanish 1815 GMT 20 Aug 85

[Interview with Defense Minister Vice Admiral Patricio Carvajal by unidentified reporter on 20 August in Santiago -- recorded]

[Text] [Carvajal] I believe the reduction of military spending in Latin America is very positive though difficult to accomplish. There have been other attempts, but we have to persevere with goodwill. Our country will welcome any initiative aimed at reducing military spending to allocate more funds to development. However, disarmament cannot be unilateral or bilateral; it must be a joint effort by all countries. In addition, it is not true that Latin American military spending is excessive compared to that of other regions of the world. We spend much less than Europe, Asia, and even Africa.

[Reporter] Admiral Merino has said that since Chile is behind Peru from the military viewpoint, it would be difficult to reach an agreement.

[Carvajal] The Peruvians are saying let us freeze what we have. Well, it is possible to freeze military spending when there is an approximate balance. Otherwise, the freeze will benefit the country that has superiority. This is something normal that occurs among all countries, even between the superpowers. An arms limitation agreement was reached between World Wars I and II. Therefore, this is not an impossible task, although we must admit that it is difficult. I strongly believe our main concern should be to prevent the production of nuclear weapons in Latin America. For this purpose, the countries should sign and ratify existing international agreements.

OFFICIAL RESPONDS TO ARGENTINE MINISTER'S REMARKS

PY201740 Santiago Radio Chilena in Spanish 1700 GMT 19 Aug 85

[By Jose Francisco Contreras]

[Text] Argentine Ambassador to Chile Jose Maria Alvarez de Toledo and Foreign Ministry spokesman Pablo Valdes have responded to the statements Argentine Foreign Minister Dante Caputo made on the consequences of an eventual armed uprising in Chile. During an interview, Minister Caputo pointed out that an armed uprising in Chile would result in serious consequences not only for Chile but for the entire region, and that it would bring the East-West conflict to the region. Caputo added that his government is convinced that democracy, as long as it allows all social sectors to participate, is the best way to prevent the dissemination of the ideology of armed insurrection. In this regard, Argentine Ambassador Alvarez de Toledo pointed out that these statements faithfully reflect the Argentine foreign minister's thoughts. The ambassador made these remarks following a ceremony honoring General Jose de San Martin on the anniversary of his death.

Chilean Foreign Ministry spokesman Pablo Valdes also addressed the issue. He said he agrees with Caputo in that Chile's domestic affairs are a sensitive issue, and that communism endangers Latin America and the rest of the world. Concerning the Argentine foreign minister's remark that democracy is the best way to prevent the dissemination of the ideology of armed insurrection, Valdes said it is necessary to look at history, at what happened in Chile 12 years ago, and at what would have happened had the Armed Forces not intervened. This is the best answer, he added.

Asked about the statements former Minister Monica Madariaga made in Rome that the Chilean Government's intransigence with the opposition has encouraged communism, Valdez replied: I have no comment.

Valdez also announced that the Foreign Ministry will release a communique on a statement by French President Francois Mitterrand, who said his country will continue nuclear tests in the Pacific.

Concerning the situation of three Catholic University students who are at the Venezuelan Embassy demanding that the case of the banished students and other irregularities be solved, Valdez said the students are still at the embassy, that they have not asked for political asylum, and that the embassy has submitted no request to the Foreign Ministry. He added the Venezuelan ambassador may in the near future visit the Foreign Ministry to report on the matter.

BUCHI ON SAVINGS, EXPORTS, JOB SECURITY

PY201747 Santiago Radio Chilena in Spanish 2330 GMT 19 Aug 85

[Text] Finance Minister Hernan Buchi has reiterated that the people will have to make an effort to increase domestic savings and that the government will have to carefully handle fiscal expenditures and monetary factors. This afternoon, the minister opened the eighth engineering systems seminar sponsored by the University of Chile at the Carrera Hotel. More than 350 officials, professors, and students attended.

Buchi said there will be sufficient financial resources for the 1985 and 1986 programs provided export prices do not drop significantly. To comply with these programs, it will be necessary to carefully handle fiscal expenditures and monetary factors. In this way, the minister added, we will be able to keep a slow but stable growth rate at the beginning, and will be able to accelerate it by the end of 1985 and in 1986. The minister readily admitted that despite the government's wishes, the people's income will not increase in the short term.

[Begin recording] This will undoubtedly depend, to some extent, on the people's efforts, since as production increases, job opportunities will also increase. There will also be greater job stability, although this will not occur immediately unless we have significant favorable changes. We will not see an immediate increase in personal earnings. Personal earnings will not increase as much as we would like them to increase. Nevertheless, as I have just said, there will be increased stability and more employment. In the future this will turn into increased consumption. [end recording]

It is necessary to significantly increase domestic savings and investments in order to overcome the restrictions or problems currently troubling the entire country, Buchi said. Buchi added that the investments must stimulate and strengthen exports. He stressed, however, that the trade balance will reach $700 million and not $1 billion as originally thought.

CARABINEROS COMMANDER DENIES TROOP CONFINEMENT

PY201215 Santiago Radio Chilena in Spanish 2330 GMT 19 Aug 85

[Excerpt] Carabineros Director General Rodolfo Stange today delivered a speech during a ceremony in which the new Carabineros commanders were installed. The ceremony was held at the Carabineros School.

After the ceremony, Gen Stange told reporters that now more than ever before, the Carabineros are strongly united and devoted to their duties.

Asked about reports that circulated on 16 August on the confinement of all Carabinero troops to barracks, Gen Stange replied:

[Begin recording] [Stange] I would like to... [rephrases] Please excuse me if I smile at your question because there has been nothing of the sort. It was a coincidence. One hundred cadets who were receiving training in La Cordillera returned on 16 August. Therefore, it was normal for parents, friends, and officers to gather at this school to wait for them. Now, social meetings with relatives inside the barracks are not usual, except when Carabineros officers going into retirement are greeted by their comrades in arms.

[Reporter] It would be interesting if you could explain whether the replacement of Carabineros commanders was part of a normal process within the Carabineros or a consequence of the Canovas [judge investigating triple murder] case.

[Stange] No, no, not at all. That should not even be imagined. This is a normal change within the usual administrative process. It is not a consequence affecting anyone. It is simply a replacement as in any other institution. Other institutions will probably soon replace their top-ranking personnel in keeping with their own regulations. [end recording]

AD SECRETARY GENERAL TRONCOSO RESIGNS POST

PY200135 Santiago Radio Chilena in Spanish 2330 GMT 20 Aug 85

[Text] Democratic Alliance [AD] Secretary General Raul Troncoso today resigned from his post. Troncoso, a Christian Democrat, resigned in a letter sent to each member of the AD Executive Board. In his letter, Troncoso explained that he no longer has the time for the increasing work required for the efficient performance of the AD. He said he has to devote more time to his professional activities and to other tasks he has undertaken. He added that the AD is playing a major role in the restoration of democracy.

WORKERS RALLY DISPERSED, DEMONSTRATORS ARRESTED

PY210056 Paris AFP in Spanish 0029 GMT 21 Aug 85

[Text] Santiago, 20 Aug (AFP) -- Eyewitnesses have reported that dozens of people, demonstrating against the military regime were arrested in Santiago tonight after clashing with the police. The incidents occurred when the Carabineros used water cannons and tear gas to disperse demonstrators who were trying to gather on Bernardo O'Higgins Avenue for a rally organized by the National Workers Command [CNT] which is led by Rodolfo Seguel. Although the CNT suspended the rally when the government forbade it, groups of workers and students still gathered at the appointed site. However, when the police moved in, the groups of demonstrators retreated to Ahumada Boulevard and other downtown streets. Unconfirmed reports said that at least 40 persons, mostly students, were arrested during the incidents.

BOMB GOES OFF IN MOVIE THEATER IN SANTIAGO

PY210202 Santiago Radio Chilena in Spanish 2330 GMT 20 Aug 85

[Report by Alejandro Guille from mobile unit]

[Text] A small bomb went off inside a bathroom in the Central Movie Theater on Huerfanos Promenade in Santiago at 1910. The Carabineros are now searching the theater. It has been reported that no other bombs were found inside the building. Both the Central and the Huerfanos Movie Theaters are operating normally, and not even the public noticed the blast. No one has been reported injured.

CABINET RESIGNS; LOCAL GOVERNORS TO FOLLOW SUIT

PA201832 Madrid EFE in Spanish 1728 GMT 20 Aug 85

[Text] Bogota, 20 Aug (EFE) -- According to reports in Bogota, the resignation by President Belisario Betancur's cabinet today subsequently reached the governors of Colombia's 23 departments. The intendants and heads of the so-called national territories will also present their customary resignations, a spokesman for Narino Palace, the presidential house, noted.

Even though the political parties regard the crisis as routine, Hernando Barjuch Martinez, president of the (ruling party's) National Conservative Board, said that Betancur will replace his closest aides in order to undertake the final stretch of his tenure with them. [as received]

The 13 members of the cabinet submitted their resignations en masse following a meeting of the Council of Ministers. The resignations were described by Foreign Minister Augusto Ramirez Ocampo as a gesture to leave the president free to make whatever changes he deems necessary during the last year of his administration.

Betancur Makes Changes

PA201818 Madrid EFE in Spanish 1714 GMT 20 Aug 85

[Text] Bogota, 20 Aug (EFE) -- Following the mass resignation of his cabinet, Colombian President Belisario Betancur today replaced three cabinet ministers and confirmed the remaining 10 in their posts. The changes were made in the labor and social security, education, and agriculture portfolios.

The most surprising change was that at the Labor Ministry, which will now be occupied by Jorge Carrillo Rojas, vice president of the Union of Colombian Workers and well-known trade unionist, who will replace Liberal Oscar Salazar Chavez. Betancur appointed Lilian Suarez Melo, incumbent secretary general of the presidency, as education minister in place of Doris Eder de Zambrano, and Conservative Roberto Mejia Caicedo as agriculture minister. Caicedo replaces Hernan Vallejo Mejia, also a Conservative.

In the same decree in which he made the cabinet changes, Betancur appointed Victor G. Ricardo, incumbent deputy government minister, as secretary general of the presidency in place of Lilian Suarez Melo.

MINES MINISTER REPORTS COAL EXPORTS TO DOUBLE

PA172248 Bogota Television Service in Spanish 0000 GMT 17 Aug 85

[By Javier Dario Restrepo]

[Text] Ivan Duque Escobar, mines and energy minister, announced today that next year Colombia will double its coal exports, which will be sold at $38 or $39 per ton, to (?Phillip Brothers Company), with which Minister Duque will hold talks next week in New York.

[Begin Duque recording] In 1985, the Colombian Coal Enterprise [Carbocol] will be exporting approximately 3 million tons, through Intercol [expansion unknown], a Carbocol subsidiary. Next year, beginning in February, we will start working to see if we can produce 6 million tons for 1986. [end recording]

Minister Duque Escobar also announced that Colombia will be exporting oil during the second half of 1986. When the Cano Limon oil pipeline is finished in December, the country's oil industry will undergo a radical change, now that the oil explorations in the eastern plains have been successful.

M-19 REPORTEDLY RECEIVING AID FROM SHINING PATH

PA202210 Paris AFP in Spanish 1725 GMT 20 Aug 85

[Text] Bogota, 20 Aug (AFP) -- The Peruvian guerrilla organization Shining Path is teaching the Colombian 19 April Movement [M-19] terrorist tactics, the newspaper EL MUNDO of Medellin reported today, quoting Colombian security services sources. "Representatives of the two organizations have crossed the border to carry out their plans," the paper added.

"Colombian security agents discovered that the Shining Path maintains close relations with the M-19," EL MUNDO points out, adding: "The Peruvian organization taught the Colombian group how to sabotage power pylons."

"The Peruvian subversives have made power pylons one of their main targets. Power pylons have now become one of the targets of the Colombian guerrillas at the advice of the Peruvian organization," EL MUNDO reported.

Finally, it states: "The military source said that antiguerrilla units have been increased along the border and that there is control over the people arriving from Peru.

AUTHORITIES DENY CONCIVILES EMPLOYEES KIDNAPPED

PA161310 Bogota EL SIGLO in Spanish 12 Aug 85 p 3

[Text] Yesterday police, national Army authorities, and the Conciviles engineering company denied that the so-called Revolutionary Armed Forces of Colombia (FARC) kidnapped 55 employees of the engineering firm. Authorized spokesmen for the engineering firm reported that technicians and laborers have stopped working until Conciviles pays the 10 million pesos it owes them for salaries, services, insurance, and overtime. The labor movement was supported by the 13th FARC Front which operates in the Bota Caucana region. However, due to difficult communications, the announcement was interpreted as the kidnapping of the 55 workers.

The engineering firm is currently constructing the highway between Pitalito municipality in Huila and Mocoa in the Putumayo Intendancy, and their camps and machinery are in San Juan de Villalobos, Cauca. The camps, machinery, and workers are in the so-called Bota Caucana, the operations area of the so-called FARC, and the Castorite National Liberation Army (ELN).

The police and Army reported that the public order situation in Huila Department and Cauca is normal. The only incident that has taken place is the protest movement by Conciviles employees. "There have been kidnappings, guerrilla takeovers, and clashes between the authorities and the FARC columns that operate in the Bota Caucana and are currently adhering to a truce," the official spokesmen said. Meanwhile, it has been reported that Conviciles is trying to continue the normal operation of its projects.

RADIO NANDUTI RETURNS TO AIR AFTER SANCTION

PY210105 Asuncion ULTIMA HORA in Spanish 20 Aug 85 p 13

[Text] "My stance has not changed and will not change; I will continue to be the same person and to do the job I enjoy so much. However, I must admit that I am completely lost. I do not know what to do because some government body could send another order to close the radio at any moment."

This statement was made this morning by Humberto Rubin, director of Radio Nanduti, when he resumed broadcasting of normal programs. The station had been closed for 10 days.

Further on, Rubin said: "I pursue the same ideals, and have the same attitude. I continue to do my job with the radio station with the same responsible attitude I have always had. I only want to point out that I am haunted by uncertainty because I do not know what is going to happen to me next. I am afraid they may find some other excuse, such as the humidity in the studio being too high or too low, to close down my station for 10 days, 20 days, 1 month, or who knows how long."

Rubin then said his lawyers are taking the necessary steps at the National Administration of Telecommunications [Antelco] to obtain his radio-announcer's license. He added: "Sometimes I would like to broadcast advertisements and for this I need my license. But this, of course, is not essential. I want to continue being a radio announcer and this is what I am doing now, so I hope that they let me continue with radio journalism. I do not want any more interruptions but everything is so uncertain that I wonder what is going to happen next."

Radio Nanduti had been closed in compliance with a resolution issued by Antelco on 10 August. It completed the sanction today and returned to the air with its usual programs.

MILITARY OFFICER INVOLVED IN CURRENCY VIOLATIONS

PY210249 Paris AFP in Spanish 1925 GMT 20 Aug 85

[Text] Asuncion, 20 Aug (AFP) — Today, Paraguayan legal authorities ordered the arrest of three well-known Asuncion businessmen in connection with proceedings initiated by the Paraguayan Central Bank [BCP] against persons responsible for the violation of foreign currency regulations. So far, 18 enterprises have been found to be involved in illegal transactions.

The names of the businessmen have not been disclosed so as not to hinder police proceedings. However, it was learned from judicial sources that one of them is a career military officer.

The BCP has calculated that some $35 million has been taken out of the country through commercial operations. However, bank officials estimate that the figure could amount to over $130 million.

The companies involved in these dealings, some of which are shale companies, obtained dollars at the rate of 240 guaranies per dollar and then sold them on the black market where the rate today was 793 guaranies per dollar.

The judge handling the case has ordered five banks here to present the original import records, because these banks carried out the fraudulent transactions.

Judicial spokesmen involved in the investigation have revealed that another 60 enterprises are allegedly involved in similar illegal operations. If this is proven, the amount of foreign currency estimated to have been taken out of the country during the past 2 years could increase.

In the past 3 months, Central Bank authorities reported that a well-known Paraguayan millionaire and some foreign businessmen were engaged in foreign currency violations involving millions of dollars.

Other judicial proceedings for administrative corruption are under way. As a consequence, well-known public officials have taken to Tacumbu prison here.

The campaign against corruption has also uncovered another series of illegal dealings ranging from the cultivation, manufacture, and traffic of drugs to contraband and illegal enrichment at the expense of the public administration.

PRESIDENT ON ECONOMIC MEASURES, FUTURE PLANS

PY202207 Lima Televisora Lima in Spanish 0400 GMT 20 Aug 85

[Interview with President Alan Garcia after his inspection of Fort Rimac, headquarters of the 18th Armored Division, on 19 August by unidentified reporter -- recorded]

[Excerpts] [Reporter] A few minutes before 1400, President Alan Garcia is ending his visit to Fort Rimac of the Peruvian Army 18th Armored Division. He reviewed the troops here and met with War Minister General Jose Flores Torres and General Sinecio Jarama, chief of the Second Military Zone.

Mr President, what can you say about the results of the economic measures adopted during the first 15 days of your administration?

[Garcia] The results are satisfactory because of the people's support. We started by reducing interest rates so prices would not increase. We decreed a price freeze and received the people's support. I have personally verified in several places that the people are helping effectively by not paying more than they should. Small and medium-sized traders are also making a valuable contribution by not increasing their prices. In some cases prices cannot be controlled. But they will eventually fall under the control of the citizenry in general. Inflation will be defeated by the action of all the Peruvian people. This is one of our goals.

We intend to lower the interest on loans, particularly those meant for the agricultural sector, so it can increase production. We froze prices and improved salaries. I know this is not enough, but we hope that in the future or in a few months we will be able to further improve salaries and purchasing power.

We are also presenting a new set of laws, which I hope the Congress will approve or modify if it thinks it is necessary, about the cuts on the exemptions granted to the oil companies, which was a situation that harmed our economy very much. A law to restrain monopolies that abuse their predominant market position is also planned. For instance, we were able to significantly reduce the price of cement as well as that of cooking oil, medicines, flour, and various important family basket products.

I am sure that with the contribution of all Peruvians, we will be able to fight speculation and monopolies. Only then will our economic program have a real opportunity to triumph, but it will depend on all of us. I am satisfied at the country's response to the appeal I have made and I am sure that in the next few months we will reap the results of this sacrifice we requested from the Peruvian people.

[Reporter] Will further economic measures be implemented?

[Garcia] The second important set of economic measures will be meant for agriculture. If we had not helped agriculture by granting it lower interest loans and subsidizing fertilizers, we would not have made meaningful improvements, which are our real objectives.

We have also presented to Congress a draft bill on decentralization. Then, there is another draft bill that will set up financial districts in the provinces, which, let me announce to you, will bring about a democratic revolution in the banking field.

A lot of the resources granted as loans in Lima to be used in Lima come from the provinces, and this cannot continue any longer. We have to set up the financial districts so the resources of, for example, Cuzco or Cajamarca can remain there to be reinvested in production there instead of being transferred to Lima to be spent on speculation or commerce here. This great, democratic revolution will mean that the resources generated in each department will remain in each department.

In the next few days or maybe tomorrow, I will send Congress a decree to transform, democratize, regionalize, and select credits in our country. This will be a national banking or credit reform decree, which will go into effect with the new financial districts.

In keeping with the country's needs, we will also present a project in the form of a supreme decree to create a national development bank. You know that we already have agrarian, housing, industrial, mortgage, and mining banks. All these banks should be organized under one large organization, because otherwise they are duplicating each other in a very bureaucratic manner, which does not help the country. By creating a main organization of the state development banks, we will put things in order and make credits available to the poorest sectors of our population.

I have spoken of the economic aspect. Speaking of the moral aspect, I can also say I am very satisfied. We have struck the most important blow against drug trafficking in the history of Latin America. It has been praised in Europe and the United States as the most important operation ever carried out against the international drug trafficking Mafia. You have witnessed the discovery of a clandestine airport that was constructed with 40,000 bags of cement. It is really unusual that no one realized that 40,000 bags of cement were transported to the site and that there was a great deal drug trafficking going on there.

We will continue with these operations ordered by the Interior Ministry until we completely wipe out this curse that has fallen on our country -- drug trafficking, which has corrupted so many persons and institutions.

We will relentlessly continue with our anticorruption campaign to reorganize institutions that deserve the full credibility of the public. In the next few hours or days, you will receive the first news regarding the reorganization of our police forces, from which some officers will be dismissed, in accordance with the law, for allegedly having committed crimes and for lacking ability or not effectively carrying out their duties.

Regarding the foreign debt, I confirm our decision to limit payments on it to 10 percent of the income obtained from our exports. This is the first time a so-called underdeveloped country from the Third World and Latin America has stood up to financial imperialism to say that it will not allow its economy to be dominated by the IMF. I have not been elected by the IMF, and the Peruvian people have not elected me to govern according to the recommendations of a foreign financial fund, so we will only pay 10 percent of the income obtained from our exports.

What does this mean? It means payment terms will be extended for whatever time necessary and they will be paid for with 10 percent of the income from our exports. This means that domestic interest rates will decrease on account of this measure.

Any economist can make his own calculations. This is a financial revolution because this is the first time that a country is setting the conditions with which it will make its payments instead of having the conditions set from abroad.

INTEREST RATES TO BE REDUCED TO 75 PERCENT

PY201938 Lima Cadena Panamericana Television in Spanish 0300 GMT 20 Aug 85

[Text] The Central Bank director has announced that he has agreed to reduce the active interest rates from 110 percent to 75 percent. This is the second reduction since 1 August, when the rate was reduced from 280 percent to 110 percent. This measure took into consideration the decrease in inflation, the reduction of speculation over foreign currency exchange, and the improvement of hard currency reserves.

SENATE VICE PRESIDENT ON INTEREST RATES, BUDGET

PY201617 Lima Radio del Pacifico in Spanish 1300 GMT 20 Aug 85

[Text] Enthusiastic about the news of the drastic decrease in the inflation rate, Carlos Enrique Melgar, first vice presdient of the Senate, has said this is not just wishful thinking and that the national budget for 1986 will be an expression of the American Popular Revolutionary Alliance government program. Although the total budget will reach 50 trillion soles, we are not frightened because all funds will be used entirely to develop the country by serving the Peruvian people, he said.

Melgar, a member of the Bicameral Budget Commission, said that the Republic's next budget will have to postpone and decelerate nonpriority programs in order to promote agriculture, health, and the education of the people.

There will be additional funds as a result of the cut in the foreign debt payments and honest dealings in investments and bids. Senator Melgar said that, if necessary, subsidies will be used to regulate the prices of food for mass consumption.

GOVERNMENT SUPPORTS NUCLEAR-FREE ZONE PROPOSAL

PY201757 Paris AFP in Spanish 0238 GMT 20 Aug 85

[Text] Lima, 19 Aug (AFP) -- The Peruvian Foreign Ministry today announced that Peru supports the proposal declaring the South Pacific area a nuclear-free zone.

The Foreign Ministry has stated that the Peruvian Government is pleased at and supports the agreement reached by the member countries of the forum on the South Pacific area, which met in Rarotonga, Cook Islands, on 5 and 6 August, to sign a treaty declaring the area a nuclear-free zone and stated its wishes that the implementation of this initiative be faciliated by the powers possessing nuclear weapons.

In addition, the Foreign Ministry recalled that in the past Peru has rejected the nuclear tests carried out in the South Pacific and expressed its concern over the consequences such tests have on the ecological balance and the human environment.

In Rarotonga, the heads of state of 14 area countries (Australia, New Zealand, Papua-New Guinea, Fiji, Western Samoa, Tonga, Solomon Islands, Vanuatu, Nauru, Niue, Tuvalu, Kiribati, Cook Islands, and Micronesia) agreed not to possess, test, or use nuclear weapons. In addition, they agreed to ask France, Great Britain, and the United States, which possess territories in the region, and the PRC and the Soviet Union to respect the proposed treaty.

GOVERNMENT APPOINTS NEW POLICE AUTHORITIES

PY201453 Lima Televisora Lima in Spanish 0400 GMT 20 Aug 85

[Excerpts] This evening Interior Minister Abel Salinas surprisingly announced that the government has ordered the retirement of 37 police generals, of which 21 belong to Civil Guard and the other 16 to the Peruvian Investigative Police [PIP]. This is the largest purge of police generals in Peruvian police history. The names of the retired generals will be announced tomorrow. Here is the statement by Minister Abel Salinas:

[Begin recording] The following Civil Guard lieutenant generals have been appointed to new posts:

Civil Guard Lieutenant General Raul Pareja Gutierrez as new Civil Guard director; Lieutenant General Carlos Rodriguez Tirado as new Civil Guard deputy director; Lieutenant General Carlos Barreto (Brisoleto) as new Civil Guard inspector general.

Article No 2 [number as heard]: The following PIP officers are ratified to their posts: PIP Lieutenant Ceneral Mario Munoz Malaver as PIP director; PIP Lieutenant General Manual Bazul Torero as PIP deputy director; and PIP Lieutenant General Elias Zuarez Caballero as PIP inspector general. [end recording]

POLICE DISCOVER AIRSTRIP, CONFISCATE COCAINE

PY190200 Paris AFP in Spanish 0145 GMT 18 Aug 85

[Text] Lima, 17 Aug (AFP) -- Police sources here today reported that a cargo of 180 kg of basic cocaine paste was confiscated by the police at a clandestine airstrip discovered in the region of Cutibereni, located approximately 400 km east of Lima. Three drug traffickers were arrested during the operation. Among those arrested were Nestor Rios and Sabino Berrocal, who were being sought for their alleged participation 2 years ago in the ambush of a search patrol in which several agents died. The place is located in the central Amazon Jungle in the Junin Department. This is the second clandestine airstrip used for drug trafficking that the police have discovered this week. Weapons and communications equipment were also confiscated at Cutibereni.

On 13 August the police discovered the Callaru airstrip, located in the region of Caballococha close to the border with Colombia, and they also discovered a modern cocaine laboratory. The police also captured five small planes used in drug trafficking.

BRIEFS

NEW FOREIGN MINISTRY OFFICIAL -- Lima, 31 Jul (EFE) -- Foreign Minister Allan Wagner has announced the appointment of Hubert Wieland Alzamora, a career diplomat, as secretary general of the Foreign Ministry and deputy foreign minister. [Excerpt] [Madrid EFE in Spanish 0034 GMT 1 Aug 85 PY]

GOVERNMENT WITHDRAWS 'UNITAS' LANDING PETITION

PY201547 Paris AFP in Spanish 0037 GMT 20 Aug 85

[Text] Montevideo, 19 Aug (AFP) -- The Uruguayan Government today decided to withdraw its petition to Congress which sought congressional approval for the landing of U.S. marines on Uruguayan territory within the framework of the 26th naval maneuvers "Unitas." The maneuvers in question are scheduled for September with the participation of U.S. and Uruguayan ships and troops.

The implementation of the maneuvers, including a landing in Maldonado Department, 140 km east of Montevideo, had been officially rejected by the largest opposition forces, namely the Blanco party and the Broad Front (left wing). The Blanco Party and the Broad Front regarded the maneuvers as an attack against the national sovereignty. In addition, the Blanco Party and the Broad Front called the maneuvers inopportune, coming at a time when the United States is threatening to invade brother countries in Central America.

In turn, the executive branch has stated that there is no violation whatsoever and that the questioned landing consisted only of a dozen unarmed U.S. officers who are solely concerned with the communications area.

After holding a meeting with the congressional defense commission, spokesmen for the ruling Colorado Party (liberal) this afternoon announced that, seeking to maintain harmony as far as international policy is concerned, the petition to approve the landing was withdrawn. The spokesmen recalled that the "Unitas" maneuvers are not a new occurrence and that they were held many times under constitutional governments.

Blanco Senator Juan Raul Ferreira, a member of the defense commission, has called the decision made by the executive branch a great step forward in the defense of the country's sovereignty and the image abroad. Ferreira stated that this decision especially shows the effectiveness of the harmonious operation of the democratic scheme between the government and the opposition. The lawmaker stated that the landing is an irritating issue that would break the consensus concerning the handling of the Uruguayan foreign policy. Although he is an opponent, Ferreira applauded the official decision, which is to be formalized within the next few hours.

BROAD FRONT OFFICES ATTACKED; NO CASUALTIES

PY201128 Paris AFP in Spanish 2134 GMT 18 Aug 85

[Text] Montevideo, 19 Aug (AFP) -- Spokesmen of the Broad Front, the third largest political organization in Uruguay, today revealed that two party offices have been attacked with firearms and tar bombs, which caused no casualties.

The first attack was against the For the People's Government faction of Senator Hugo Batalla. The office was hit by large-caliber bullets, which went through the windows. The building is only a few meters from the Congressional Palace. The tar bombs were hurled at the headquarters of the Socialist Party. They exploded against the front of the building, plastering signs displayed there.

In last November's election, Batalla's faction, which backed List 99, got most of the votes received by the Broad Front coalition, which also includes Communists, Christian Democrats, independents and Socialists. The politicians of the parties whose property was attacked blamed antifreedom gangs acting on behalf of the defeated right.

PEMEX TO INCREASE SALES IN SECOND HALF OF 1985

FL200258 Mexico City NOTIMEX in Spanish 0240 GMT 18 Aug 85

[Text] Mexico City, 17 Aug (NOTIMEX) -- The United States is and will continue to be the principal client of PEMEX because it buys almost 750,000 barrels of crude daily, PEMEX sources stated today.

The international oil market has presented a few problems this year, so sales of crude oil averaged only 1.34 million barrels daily. Adjustments to oil prices and direct contact with clients make it possible to forecast that sales will increase during the second half of 1985.

According to official data, PEMEX is maintaining its export platform of 1.5 million barrels daily as a yearly average. This confirms what the director of PEMEX said yesterday regarding selling more than 1.5 million barrels daily during the second half of 1985. By selling more than the 1.5 million barrels daily provided for by the export platform, the 160,000-barrel shortfall in daily sales during the first half of 1986 will be compensated for, our sources said.

The PEMEX 1984 production report states that its daily average in 1984 was 1,524,600 barrels of crude. This figure incorporates the reduction of 100,000 barrels made in October 1984 to strengthen the world market.

The same PEMEX report says that in 1984 PEMEX had a favorable trade balance of $15.669 billion. Exports totaled $16.466 billion and imports totaled $797 million. Crude oil accounted for 90.9 percent of total sales, natural gas 1.4 percent, petroleum products 6.9 percent, and petrochemicals 6.8 percent.

In 1984 crude oil was exported to 22 countries. PEMEX's five main clients were: the United States, with 49.2 percent; Spain, with 11 percent; Japan, with 10.4 percent; the United Kingdom, with 6.6 percent; and France with 6 percent.

Information provided by PEMEX makes it possible to assure that these percentages are almost unchanged for the present year and that the United States continues to be Mexico's main client for crude oil.

COMMUNICATIONS SATELLITE TO BECOME OPERATIONAL

PA191752 Mexico City XEW Television in Spanish 1300 GMT 19 Aug 85

[Text] The Morelos-1, Mexico's first communications satellite, will be operational in only 2 more weeks. President Miguel de la Madrid's third government report to the Congress will be the first event to be transmitted by this Mexican satellite to the entire country.

The Morelos-1 will be used to enlarge Mexico's telephone network by 50 percent, 25 percent of its channels will be used to assist television transmissions, and the remaining 25 percent will be kept in reserve for other uses, Javier Jimenez Espriu, deputy communications and transport secretary reported.

ARDITO BARLETTA SPEAKS ON ACHIEVEMENTS, FUTURE

PA191842 Panama City LA ESTRELLA DE PANAMA in Spanish 18 Aug 85 pp 1, C 10

[Speech by President Nicolas Ardito Barletta at tribute to him and his wife, Maria Consuelo de Ardito Barletta, in Sabana Grande, Los Santos Province, on 17 August]

[Text] I am deeply grateful for this tribute that you, my friends of Azuero Peninsula, in solidarity with Panamanians of other regions, are bestowing upon my wife Maria Consuelo and your president who is your friend.

This event fills us with emotion and once again commits us to these vibrant people who are the heart of the Panamanian homeland. We offer our undying thanks to the organizing committees who in such a noble and unselfish manner were able to gather here in this countryside thousands of Panamanians to express their affection, which deeply moves us and which we totally appreciate.

We also express thanks to the hundreds of people of Los Santos who have donated their beef, chicken, and utensils so that we could all have a traditional, national holiday lunch.

A warm embrace to the men and women and especially the young people of Sabana Grande, the hometown of Maria Consuelo of whom I am proud. She is a true daughter of this land of work, happiness, and hope.

Dear friends, with you I feel my deep roots of Los Santos and Azuero, which are a reserve of energy, character, and decision. I want to take this opportunity in Sabana Grande to reiterate a declaration of faith and confidence in the Panamanian people and the certainty that we will achieve a historic destiny of democracy, progress, and social justice for our homeland and the future generations. I am interpreting this tribute as a recognition of Panamanian democracy, which belongs to everyone and which we are all duty bound to defend.

I am president of the Republic because Panamanians want a democracy. I am the first to fulfill the commitment of defending it to the end. The entire government, the political parties of the National Democratic Union, the Defense Forces, the social and union organizations, the honest professionals, the students, and the men and women of goodwill of the country support me in that commitment. That is what I think and this is what the Panamanian people feel.

That is why the opinion of an irresponsible minority that calls itself the opposition cannot decide the future of our modern and progressive democracy. I accepted the presidential nomination for that democracy. I was elected for that democracy and I have struggled and will struggle every day for that democracy as president of Panama until 31 August 1989. Then and not before, hear it well, I will turn over my office to the president that the Panamanians once again elect in accordance with the provisions of our national Constitution.

My actions have all been in accordance with the oath to respect the Constitution and enforce the laws so that the country will consolidate its return to effective democracy through the exercise of democracy. My government's actions have been misinterpreted by many and I know that this entails a certain amount of political and personal sacrifice, but the practice of freedom in the government must be above fleeting images because what is permanent, lasting, important, and necessary for the survival of sovereign people who control their own destiny lies in the exercise of freedom.

Democracy must maintain the rights of citizens and promote the citizens' capacity to govern themselves. I believe in a responsible democracy that regulates itself and does not have to resort to the repressive power of the state to find its own course. I believe in liberty without libertinism. I believe in democracy without abuses or disorder.

My government has been characterized by democratic dialogue, its readiness to reach understanding, and the search for agreement to solve at the lowest possible social cost the serious problems we have inherited.

The national dialogue we have promoted is continuing at various levels and the government is participating in it with honest and firm objectives. I have left nothing undone along the path of seeking a democratic agreement for the solution of our problems. The idea and feeling that whoever took over the country's reins would have to do what I am doing -- in my case I am doing so with a strong Los Santos-like mentality -- is deeply imbedded in the minds of all Panamanians.

This action is a responsible and patriotic obligation of defending the Panamanian people -- the workers, the producers, the businessmen, and the public servants. However, my main obligation is to watch over the unemployed and the consumers.

I must be the voice of those Panamanians who are daily pleading for a job, for a reduction in the cost of living, for a reason to defend this democracy, which must give them opportunities and hopes for the future. Although we must protect those who are already enjoying benefits, we must open the door, with imagination and determination, to the underprivileged ones to that they can find new opportunities for participation and progress.

Allow me to recall at this moment the words of a distinguished forebear of our Republic, Belisario Porras, who said: "If we love this country we must make an effort to advance without looking back and we must not lag behind in the movement of this world in which we are obliged to keep in step."

Fellow countrymen, we are obliged to come to grips with our situation, with or without a letter of intent, with or without the World Bank. Our objective is to find permanent solutions. For this to happen it is necessary that all of us act with our country in mind, reconciling our personal interests with those of the entire nation, because each citizen will progress only if we manage to make the entire nation progress. This is the way to improve conditions in our country.

The controversial aspects of the letter of intent are being negotiated with the groups concerned. Improperly drafted clauses are being rewritten in consultation with all; the letter will be redrafted to include Panamanians' feelings by a commission representing the nation's production sectors. However, for this to occur we must reach an agreement in good faith and soon. I will be the first to defend the nation's interests as agreed upon by all Panamanians.

Unfortunately, people who illusorily and with great political immaturity think that a new government would bring a magical solution to all problems have not been lacking. They have engaged in the divisive task, which is unseless as a matter of fact, of capriciously and wickedly interpreting the statements at Fort Cimarron -- which were an expression of support for peace, stability, and democracy in our country.

Those who have sought to sow discord in order to divide civilians and military have forgotten that we, the civilians and the military, comprise a single coordinated and unified will.

General Torrijos, who was my master in the study of Panama's society, warned us of the need to vaccinate ourselves against the virus our enemies are spreading. Omar said, and I quote, "They want to make those of us who wear a military uniform think that things are not going well because of the civilians and to make civilians believe that things are not going well because of the military." Our adversaries are not taking into account the fact that all Panamanians must swallow the bitter pill together. Quoting Torrijos again: "As years go by, people opt to support those who had the courage to tell the real, unpleasant truth."

We can feel the support and fondness of the men and women and, above all, of the marvelous youth of Las Tablas, Guarare, Santo Domingo, Tonosi, Chitre, Monagrillo, La Arena, Los Santos, Parita, Ocu, Las Minas, Los Pozos, Macaracas, Valle Rico, Santa Maria, Pocri, Pedasi, Santiago, Atalaya, Montijo, Mariato, and Sabana Grande, of this generous people of Sabana Grande and neighboring communities.

It is here in this region, in this holy land, with which I have family ties and unbreakable ties of affection, it is here among this multitude that has come from every corner of our deep national roots that I find the inspiration to meet head on the problems affecting the Panamanian people today.

Today in the heart of Azuero, interpreting the soul of this native land, I speak for the thousands and thousands of Panamanians who want a Panama with peace, liberty, honesty, work, well-being, and true democracy.

Fellow countrymen, we have already paved part of the way, and are about to tear down the mountain.

We have made firm and concrete progress in solving the most severe fiscal and financial problem in the history of this nation, and in doing so we have achieved improvements that have not been achieved by other Latin American countries with greater resources.

We are retaining, of course, our capacity to continue finding concrete answers for the poorest sectors of our country through electricity, schools, potable water, roads, and health. However, we have not stopped there because only a country that grows and develops can improve its social conditions.

The public administration sector has begun making improvements upon the bases of austerity, which I am the first to apply, with improved services for the citizens. Citizens have exercised their rights without any limitations.

National interest in solving the economic problems has grown. We have already promoted construction, the banking sector, and the insurance sector. We have begun working on tourism. The industrial sector is the object of a great debate to arrive at a broad Panamanian agreement, which we all hope for.

We are coming close to agreements to protect production for national consumption, and we are encouraging exports. There have been new incentives for agriculture and cattle breeding since the beginning of my administration. And listen carefully: Farm production for the national market will continue to be protected, while we promote agricultural exports. However, my dear friends, this is only the beginning.

Companeros of Veraguas, Cocle, Herrera, Los Santos, Panama, the difficulties we face in solving our problems do not frighten me. I inherited them; I did not create them. The entire government is fully aware of its responsibility in administering the country for the benefit of all, with a deep and mature nationalism. Panama is all of us, and with God's help and that of all the Panamanian people I am sure that we will strengthen democratic liberties. These liberties allow us to fully exert our rights, but not to destroy the rights of others.

We cannot hesitate for one moment in adopting the decisions that will ensure prosperity within the next 5 years. Let us face the problems through joint action and in solidarity. The future is not a gift; it is a challenge. Let us advance toward the future, shoulder to shoulder, and nothing or no one will be able to stop us. Let us advance toward our fate because we are a people made to win.

Dear friends of Azuero, with this warm honor you bestow on my dear wife and myself as children of this land, I tell you that we take with us once again this vibrant energy, this emotion of the working people, who know how to work when they must; who know how to party when they should; who know how to fight with everything they have when the nation must be protected.

I carry in my blood this deep sense of balance, and this emotion rooted in the work and sweat of the countryside. I will carry it throughout the national territory as I did during my campaign, as I did during the first part of my government, because no one is going to drown Panama. We will all make it succeed together.

PDC PRESIDENT ON GOVERNMENT'S 'DETERIORATION'

PA202340 Panama City LA PRENSA in Spanish 20 Aug 85 p 12 A

[By Franklin Bosquez D'Giovanni]

[Text] The gap between what President Nicolas ARdito Barletta says and reality is more than just a deception: It has reached the point of "political schizophrenia," Ricardo Arias Calderon, president of the Christian Democratic Party, PDC, said yesterday.

Arias Calderon's opinion is the result of Ardito Barletta's speech last Saturday in Sabana Grande, Los Santos Province.

Arias Calderon said that Ardito Barletta's speech does not conform to reality, because while General Manuel Antonio Noreiga, commander in chief of the Defense Forces of Panama, FDP, criticizes him as president and as an economist, Ardito Barletta, "thanks Noreiga for the demonstration of respect."

Arias Calderon said that the country is witnessing the deterioration of the government as confirmed by two recent ceremonies, one in Fort Cimarron and the other in Sabana Grande, which contradict each other. "On the one hand, we see a military chief gradually monopolizing the country's basic political initiatives, and on the other, a president who is beginning to show signs of desperation."

The PDC leader said that the country's economic organizations do not approve of the agreement the president has reached with the World Bank and are forcing him to give up the plan, but he keeps talking of a consensus regarding his policy.

Arias Calderon said that both Noriega and Ardito Barletta, in their respective ceremonies, went back to their place of origin: Noriega to the garrisons -- Fort Cimarron -- and Ardito Barletta to where his deceased relative, Heraclio Barletta Bustamante, had political influence -- Los Santos. "In one case the source is power, and in the other, it is forlornness for what he does not have."

"Top government officials and legislators of the National Democratic Union, UNADE, are openly talking about who is going to replace him, yet he keeps talking of the government's unity and of completing his 5-year term. Meanwhile, the people keep throwing the electoral fraud in his face, and the international public questions his legitimacy; but he keeps repeating that he is the constitutional and democratic president," Arias Calderon commented.

Further on Calderon said that the gap between what Ardito Barletta says and reality is more than just a deception: "It has become the case of political schizophrenia."

Arias Calderon said that for Panama the situation is unbearable because day after day the crisis, which is increasing, "is leading to disaster."

"To prevent this from happening, and this is possible, we need a president who is not the result of a fraud and whose governing system is to face reality," Arias Calderon indicated.

He added that only a genuinely elected president who faces reality can have the authority required to tackle the most urgent tasks. First of all, the Defense Forces should assume their professional, constitutional, and democratic role; second, rampant corruption and bureaucratic inefficiency should be stopped; and third, the economy should be reactivated and the state's financial situation should be clared up with realistic policies that favor the nation's production and the creation of jobs.

Based on these objectives, the PDC reiterates its willingness to hold talks with all forces that wish to undertake the task of building a true nationalist democracy.

Referring to President Ardito Barletta's accusations that what the country has is an "irresponsible minority that calls itself opposition," Arias Calderon challenged the president to hold a referendum to determine who won the 6 May 1984 presidential elections, a referendum in which "the votes are honestly counted."

BRIEFS

BOLIVIAN DRUG TRAFFICKERS DETAINED -- Three Bolivians have been detained by Panamanian authorities after a forced landing in Lajas, Chiriqui Province, with a shipment of 96 kilos of cocaine valued at $20 million. National Department of Investigations (DENI) officials said that the cocaine could not be confiscated because the traffickers were tipped off; they sent the cocaine out of Panama with a Panamanian national to Mexico. The three men who were detained are Carlos Castedo, Carlos Avila Bravo, and Carlos Yamamoto Franco. [Summary] [Paris AFP in Spanish 0337 GMT 9 Aug 85 PA]

COSTA RICA

MONGE TURNS CIVIL GUARD COMMAND OVER TO TSE

PA210159 San Jose Radio Impacto in Spanish 1830 GMT 20 Aug 85

[Excerpts] With only 166 days to go before the presidential elections and in accordance with one of the most meaningful democratic traditions, President Luis Alberto Monge today handed over the command of the public force to the Supreme Electoral Tribunal [TSE] in the presence of [TSE] President Francisco Saenz Meza and Security and Government Ministers Benjamin Piza Carranza and Enrique Obregon Valverde, respectively, as well as Civil Guard Director Colonel Oscar Vidal and several magistrates.

During the ceremony, the president said that only in a few countries can the executive branch relinquish authority over the public force. He said that in this way the people's awareness is fulfilled and stressed that all hopes will rest on peace and freedom. Monge said: In this way, we stress our conviction that there cannot be a genuine democracy without free elections based on respect for political pluralism and man's fundamental rights.

Monge said that the Costa Rican people are convinced that no democracy can exist where full electoral freedom does not exist and where there is no absolute respect for the people's will as expressed through elections. He said there is nothing more discouraging than unity achieved at bayonet point. Monge said later: By handing over authority over the public force to the TSE, I feel that we are emphasizing our staunch determination to maintain our civil status and prevent militarism from advancing one millimeter into our country. He indicated: As long as our civilian-oriented vocation encourages and guides us, nothing will prevent our democracy from climbing toward perfection.

TSE President Meza, in addition, said that ceremonies like that held today are not as sincere in other countries as they are here in Costa Rica. He said that the fact that the president is handing over the public force only a few days after the presidential elections were convoked is a momentous event.

FURTHER ON DISCOVERY OF ARMS TRAFFICKING NETWORK

PA202122 San Jose Radio Reloj in Spanish 1200 GMT 20 Aug 85

[Text] Members of the Rural Guard arrested six people over the weekend and uncovered an important arms trafficking network. As we reported on Saturday, the arrest was carried out on Saturday morning near Santa Rosa National Park. Four men, Sortiz, Valerin, Chinchilla, and Sanchez, and a woman, Escalante, were all traveling in a silver-colored Datsun, license plate No 12828, when they were arrested. A weapon and ammunition were found in the car.

After being arrested by the Liberia rural guardsmen, the five persons, and the car, were taken to San Jose. Upon interrogation, Valerin said that Professor Rosales, a resident of Liberia, offered them 25 AK-47 submachine guns brought into Costa Rica from Nicaragua and hidden in a cache in Santa Rosa National Park. A park employee had hidden the weapons. The park employee and Rosales were also arrested.

The arrested persons said that Rosales bought 150 weapons from Eden Pastora's guerrillas.

He paid 4,000 colones for the weapons and sold them at 20,000 colones to members of the Nicaraguan Democratic Force [FDN]. After Professor Rosales was arrested, he admitted to having purchased and sold the weapons and gave the names of persons in the southern border and other areas of the countries who sell weapons for the Nicaraguan counter-revolutionaries and for supporters of the Managua government.

It was also learned that investigations into the arms trafficking network continue. Evidently, another large sale was being planned. The arms traffickers were reportedly going to sell 180 weapons that included AK-47 submachine guns, M-16 rifles, .30 caliber machine guns, and other war materiel and equipment. It is believed that there are approximately 50 other people involved in this illegal arms trafficking, and several operations are under way to recover the merchandise.

The Rural Guard has reported that the arrested persons, the Datsun, and the weapons are in the custody of Liberia's District Attorney's Office. More proof will be presented at the District Attorney's Office to support the charges made against the arrested persons.

ALLEGED NAZI WAR CRIMINAL SURRENDERS

PA202253 Buenos Aires REUTER in Spanish 2219 GMT 20 Aug 85

[Text] San Jose, 20 Aug (REUTER) -- A top-level security official said today that Bohdan Koziy, an alleged Nazi war criminal, has turned himself in to the Costa Rican migration authorities and denied that his conduct was illegal. State Security Director Colonel Sergio Fernandez said that Koziy turned himself in yesterday accompanied by his daughter and a lawyer, denied he is guilty of war crimes, and said he wants to remain in Costa Rica. Koziy, born in the Ukraine, has been accused of perpetrating mass murders of Jews in the Soviet Union between 1942 and 1944. Costa Rican authorities began searching for him last week after some reports from Washington that he was in the country early this year. Deputy Interior Minister Rene Castro said no extradition request has been received.

EL SALVADOR

TRAFFIC PARALYZATION BEGINS; 10 VEHICLES ATTACKED

PA200059 San Salvador Radio Cadena YSU in Spanish 1630 GMT 19 Aug 85

[Text] Since early this morning, a total of 10 vehicles have been the target of guerrilla attempts that have left a toll of 1 dead and 7 wounded, according to early reports received by this station. At the same time, passage along the Northern Trunk Highway and the route toward Honduras has been blocked since dawn, following heavy fighting on the Northern Trunk Highway, particularly in the sectors known as El Jardin, El Tunel, El Barrancon, and near Tejutla, in Chalatenango Department. A detailed report on the above activities follows.

As confirmed this morning, two pickup trucks and one taxi were burned by leftist guerrillas at the El Salto detour on the Villa El Triunfo-Santiago de Maria Highway. In San Vicente, a pickup truck was machine-gunned leaving a toll of one dead and two wounded. A few minutes ago, we received confirmation that at the El Puntillal detour, on the Pan-American Highway, an Argentine-built bus serving the collective transportation from Berlin, in Usulutan Department, was intercepted near the El Puntillal detour and later burned by FMLN rebels.

Before setting fire to the bus, the rebels ordered the passengers to abandon the vehicle. Three other pickup trucks were machine-gunned in Ereguayquin in addition to a private automobile, which was also machine-gunned by the guerrillas. There were no casualties in this action.

At the same time, it was confirmed this morning that a bus was machine-gunned on the Northern Trunk Highway, leaving five civilians wounded. There is no information on deaths in this new act of violence. This is the first time that at the beginning of a strike and in such a brief period of time 10 vehicles have been damaged or destroyed in compliance with the guerrillas' threat to shoot at or destroy any vehicle circulating on the national highway system.

In other actions, military sources have confirmed the beginning of a mobilization effort to restore order on the Northern Trunk Highway, north of the town of Tejutla, approximately 70 km from San Salvador, after leftist guerrillas occupied a section of the highway between Tejutla and La Palma this morning on the way to Honduras. The heavy fighting forced the mobilization of armored equipment and Air Force units to dislodge the leftist guerrillas from the highways. The shooting extended to the vicinity of Tejutla. However, reports revealed that the situation is now under the control of the Armed Forces in the area. However, telephone reports from leftist spokesmen stated that they gained control of the towns of Santa Rita, Dulce Nombre de Maria, and San Rafael, in Chalatenango Department, since early this morning. This was an up-to-date report for YSU listeners.

Traffic in East, North Reduced

PA200216 Panama City ACAN in Spanish 2205 GMT 19 Aug 85

[By Cristina Hasbun de Merino]

[Excerpt] San Salvador, 19 Aug (ACAN-EFE) -- Vehicular traffic toward northern and eastern El Salvador diminished 80 percent as of the morning hours in view of the guerrillas announced sabotage campaign. Sources at the country's central and eastern bus terminals informed ACAN-EFE this morning that only a few buses have left this capital on their regular runs to those regions.

The sources believe that the flow of vehicles has been reduced 80 percent, above all because the bus drivers fear their buses will be damaged by the rebels, as has occurred during previous sabotage campaigns.

Populace Condemns Attacks

PA210223 San Salvador LA PRENSA GRAFICA in Spanish 20 Aug 85 pp 2, 21

[Text] Transporters, users, and civilian, ecclesiastical, and military authorities have expressed their condemnation of FMLN-FDR terrorist groups because of the vandalistic and barbaric acts they have committed against transportation. On the first day of the announced extremist ban on transportation, one person was killed, several were wounded, and nine vehicles were destroyed or damaged.

The actions were staged particularly in the central and eastern sectors of the country. The FMLN-FDR subversives say that those actions are intended to damage the war economy. According to the protests, the fact is that the poorest people and small business owners suffer the effects of those acts of terrorism. The Armed Forces report states that in the 5th Jurisdiction of San Cayetano de Istepeque, San Vicente Department, terrorists fired at bus No B-35732, killing Alejandro Diaz and causing serious injuries to Jose Acevedo and Domingo Perez.

This barbaric act has been harshly condemned by the people of San Cayetano de Istepeque and the civilian, ecclesiastical, and regional military authorities.

According to official reports, the FMLN extremists have barbarously destroyed or damaged nine vehicles in several parts of the country. In Cujucuyo, Texistepeque jurisdiction, Santa Ana Department, two vehicles were destroyed; another one was attacked and set on fire in San Pedro, San Ildefenso jurisdiction, San Vicente Department. Near Tepetitan another bus was attacked but no one was killed. A taxi, a pickup truck, and a bus were set on fire on a sector of the Pan-American Highway between the San Vicente junction and Cuscatlan Bridge in El Junquillal canton. Two pickup trucks used for transportation were set on fire on the road between Santiago de Maria and the entrance to El Triunfo village.

FPL EXPLAINS POLITICAL POSITION, PRINCIPLES

PA200107 San Salvador Radio Cadena YSU in Spanish 1200 GMT 19 Aug 85

[Text] This morning the Farabundo Marti Popular Liberation Forces [FPL] delivered an extensive communique to the various news media revealing the position adopted as a result of the organization's division. In the communique, the FPL stated that the political position officially adopted by the FPL since the holding of the seventh revolutionary council does not respond to the original revolutionary principles and strategy of the FPL. By virtue of the above, the communique noted, we decided to disregard it and to observe the original principles and the ideological struggle, there being no fundamental, political, or ideological links.

YSU received a telephone call giving the location, approximately 400 m from the station, where we could find a copy of the communique. Point 2 of the document points out the existence of a single partisan political military concept, and a single strategic political line which is the extended popular strife of the FPL which currently has only been renewed by the FPL.

Point 3 acknowledges that in the structures under organic control, there are authentically revolutionary companeros who identify themselves with the position of our front, or with the position of the internal ideological struggle responding to the revolutionary principles and strategy.

COPREFA REPORTS ON RECENT CLASHES WITH GUERRILLAS

PA200227 San Salvador EL DIARIO DE HOY in Spanish 19 Aug 85 pp 10, 31

[Text] At least 11 terrorists were killed in the past few days in different clashes with Army forces, according to the Armed Forces Press Committee [Coprefa]. According to the information, elements of the Jucuaran antiterrorist battalion of the 6th Infantry Brigade from Usulutan clashed with subversive elements near the Guadora village, Jucuaran, south of Usulutan. In this action, eight rebels were killed and three were wounded. According to Coprefa, the Army suffered no casualties in this action.

The same report also revealed that the Fonseca Battalion, of Military Detachment No 3 in La Union, clashed with terrorists in Guadalupe canton, Bolivar jurisdiction, La Union Department. In this action, two terrorists were killed.

In another action by the 6th Brigade near La Trinidad, Jucuapa, and Usulutan farms, one subversive was killed, while the Army forces recovered an M-16 rifle and ammunition.

Personnel of Military Detachment No 6 in Juayua, Sonsonate, recovered eight rifles, seven shotguns, and a large amount of ammunition. In addition, the terrorists clashed with troops of the Jiboa Battalion, of the 6th Infantry Bridge, near Apastepeque, San Vicente, where one soldier was killed and six were wounded. The number of subversive casualties has not been established. Coprefa reports added that terrorist Jose Petronilo Soriano surrendered to the personnel of the 4th Infantry Brigade guarding the Sayape Bridge in El Paraiso, Chalatenango.

A terrorist known by his group as "Lieutenant Alexis" and four other extremists were killed Saturday when units of the 3d Infantry Brigade surprised a terrorist column in Conacastal canton, San Jorge, San Miguel Department, according to an Army communique. According to the reports, Alexis was "commander" of the platoon known as Julio Armando Climaco, and a member of the Armed Forces of Liberation [FAL], the armed branch of the Communist Party.

VENCEREMOS REPORTS NATIONWIDE TRAFFIC SITUATION

PA200425 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 2 Aug 85

[Text] The first reports received by Radio Venceremos on the traffic situation are coming from the western zone of the country. Attention, from Santa Ana we have received a report indicating that guerrilla units of the Lazaro Agca Column are in control of the road from Santa Ana to Metapan, where they sabotaged two trucks, one of them loaded with cement. After this operation traffic was completely suspended between Santa Ana and Metapan.

Guerrilla units of the Julio Armando Climaco Detachment, in compliance with the orders of the FMLN General Command, were in control of the Coastal Highway between Ereguayquin and Usulutan from the early hours of the morning until 0700. Here they sabotaged three moving vehicles.

Another report says that a guerrilla unit was in control of the Pan-American Highway at km 75, where it sabotaged a bus. Guerrilla units were also spotted on the highway between San Jorge and San Rafael de los Cedros.

At this moment, we are receiving a report indicating that in the eastern part of El Salvador, traffic is totally suspended on the Coastal Highway, on the Pan-American Highway, the Army route, and on the secondary roads in the Departments of La Union, Morazan, Usulutan, and San Miguel.

A report from Cabanas Department indicates that guerrilla units of the Jose Ines Valladares Column complying with the orders of the FMLN General Command were in control of a sector of the highway between San Rafael and Ilobasco. The enemy did not appear at any time. Our units sabotaged the power lines, cutting high voltage cables that go from the 5 November Dam to El Paquin substation. This left Cojutepeque and the northwest side of San Salvador without electricity. Propaganda aimed at the soldiers was also distributed.

We are receiving more information from the western zone indicating that units of the Lazaro Arias political-military detachment sabotaged two trucks on the Santa Ana-Metapan Highway. The report also says that another unit of the same detachment sabotaged power transformers in the sector of the highway between Camones and Guajato.

On 19 August, FMLN units made an incursion into the city of Coatepeque, sabotaging power lines and transformers and distributing revolutionary propaganda.

GUATEMALA

MEXICAN EMBASSY ISSUES COMMUNIQUE ON EXPLOSION

PA210218 Hamburg DPA in Spanish 0142 GMT 21 Aug 85

[Text] Guatemala City, 20 Aug (DPA) -- Today Mexican Ambassador to Guatemala Abraham Talavera distributed a press communique regarding a grenade explosion at the Mexican Embassy on 13 August that caused the death of two Guatemalans who worked at the embassy. The communique states that "this attack was a deplorable and irresponsible action" that we hope will be clarified by the Guatemalan authorities in charge of the investigation. Talavera noted that there is still a question about the origin of the explosive device, which is totally uncommon at the embassy where this type of weapon is not kept. The Mexican Embassy's communique states that the incident does not affect the good relations between Guatemala and Mexico in any way.

URNG REPORTS OPERATIONS IN EL QUICHE, PETEN

PA200212 Guatemala City PRENSA LIBRE in Spanish 19 Aug 85 p 3

[Text] According to a report from the Guatemalan National Revolutionary Party (URNG), a total of 35 casualties were inflicted on the Army during the first 15 days of August in 28 actions carried out by guerrilla groups. The guerrilla actions included an ambush, 2 clashes, 2 harassments of army posts, roadblocks and 20 occupations of towns, villages and farms. The URNG said that the main ambush was carried out on 7 August in El Quiche, where 15 soldiers were killed and 17 were wounded. In Peten, two towns were occupied for 3 hours, and a rally was held. The guerrilla report indicates that they seized three Galil rifles, four other long-barreled weapons, grenades, magazines, spare parts, and various kinds of military equipment.

HONDURAS

COLONEL DENIES PLANS FOR U.S. BASE IN OLANCHITO

PA201725 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 20 Aug 85

[Text] Colonel Carlos Reyes Barahona, commander of the 1st Military Region and the 4th Infantry Battalion headquartered in La Ceiba, has said that it is completely false that there are plans to build a U.S. military base in the area of Olanchito, Yoro Department. He also denied that the active sectors of Olanchito have asked the National Congress to cancel the joint exercises "Cabanas-85" that are being carried out by the Honduran and U.S. Armies in Yoro Department.

BRIEFS

MODERNIZATION OF HONDUTEL -- The Honduran Telecommunications Enterprise [Hondutel] has incorporated 500 more teleprinters in the Tegucigalpa telephone exchange. The new system simultaneously covers 12 cities and connects them to any place in the world. Hondutel expanded its KDC-10 telephone exchanges operating in Miraflores and Toncontin by 13,000 lines. ACC-5 relay stations operating in Tegucigalpa and San Pedro Sula and the northwestern regional network were also expanded. The infrastructure of the latter project was financed with a 113-million lempira loan obtained through the Central American Bank of Economic Integration and its local branch. [Summary] [Tegucigalpa Domestic Service in Spanish 1145 GMT 16 Aug 85 PA]

ORTEGA ON PLANS TO RESORT TO INTERNATIONAL COURT

PA202205 Managua Radio Sandino in Spanish 1940 GMT 20 Aug 85

[Press conference held by President Daniel Ortega and a group of U.S. lawyers at Presidential House in Managua; broadcast in progress -- live]

[Text] [Ortega] ...That we are the victims of an illegal, unfair, and terrorist policy, with the certainty that the decision will be on the side of justice. We have considered the need to form a claims commission in our country, a claims commission of the victims of the U.S. military and paramilitary activities against Nicaragua. All Nicaraguan citizens who have been the victims of terrorist activities either singly or in groups can address themselves to such a commission. All Nicaraguans who have lost relatives through killings and have lost properties through destruction can resort to this commission. These citizens can go before the commission and state losses they have suffered so that at some time they can be compensated for them. Of course, this compensation should be paid by the U.S. Government.

We might ask, how will the United States pay for this, considering that this country does not accept the court's jurisdiction? We do not dismiss, and we don't want to dismiss, the possibility that the U.S. Government will accept and acknowledge the court's jurisdiction. On 12 September, U.S. leaders will have an opportunity to demonstrate that they respect the international juridical order. If they appear at the court on 12 September at the beginning of the hearings with their arguments, their documents, and the evidence they say they have, they will have admitted the existence of an international juridical order, they will be respecting the international juridical order. If they do not appear at the court on 12 September, they will be ignoring and trampling upon the international juridical order. In fact, they would become defenders of a terrorist policy against the international juridical order.

If the U.S. Government does not appear at the court on 12 September at the beginning of the hearings, and if it ignores the court's jurisdiction -- as it has been doing -- we will still trust the American people. We will still trust the values upheld by the American people, and we will still trust American principles. Therefore, another U.S. Government or administration will occur that will acknowledge the decision and the international juridical order, and will have to compensate Nicaragua. For this reason, the work to be initiated by the claims commission would not be based on false expectations, but on the real possibility that this or a future U.S. Government will acknowledge the court's decision and agree to compensate Nicaragua.

As a result of this, Nicaraguan citizens who have resorted to the claims commission will be compensated. For the creation of this claims commission, we will send a proposal to the National Constituent Assembly for this commission to be headed by the Justice Ministry, formed by other persons or organizations that the Justice Ministry deems necessary, and can be formed as soon as possible. In this way, we can begin to register, one by one, the loss of lives, material properties, and so on of Nicaraguan citizens who have been victimized by the U.S. Government's terrorist policy. This is what we wanted to announce. We also want to take this opportunity to acknowledge -- on behalf of the Nicaraguan people -- the firm, determined support we have been receiving in this defense of the international juridical order from these prestigious international legal authorities who are making this effort together with the Nicaraguan people. We and they are at your disposal to answer any questions that you might ask.

[Moderator] Adviser Abraham Chase will also speak. Excuse me, I meant Companero Carlos Arguello.

[Arguello] I want to give some explanations regarding the presence of a sizable number of Nicaraguan lawyers. As the president mentioned, this is due to the fact that the court hearing will begin on 12 September. On that occasion, Nicaragua will submit all of its evidence to support its case before the court. Until now, the court has ruled that it has the authority to hear the case. This has given both the United States and Nicaragua an opportunity to submit their evidence and determine, as the president said, who has been violating international law. We have been collecting the evidence that we will submit. The evidence ranges from this mine -- we will demonstrate that it was planted under the direct instructions of the U.S. Government's highest authorities -- to a series of witnesses whom we will bring before the court to show who is the responsible party for the aggressions.

We will give you an example. We have decided to present Commander Luis Carrion, first deputy interior minister, as a witness for the Nicaraguan Government and people to explain at the court how aggressions are being carried out in our country. We will also present Companero William Hupper, finance minister, so that he may explain the impact of these aggressions on the Nicaraguan people and Mr David MacMichael, a former CIA intelligence officer who was in charge of analyzing the evidence and verifying certain documents that were being presented with the intention of blaming Nicaragua for exporting the revolution. We will also present Professor Michael Grenon, who is a law professor at the University of Cincinnati and former adviser to the U.S. Senate's Foreign Relations Committee. He has prepared a report on behalf of the International Human Rights Law Group to prove the atrocities the contras perpetrate in our country.

This is the reason for our presence here in Nicaragua: to collect all of the documents and evidence possible to prove who is the terrorist in the world. That is all for the time being. I would like to present Professor Abraham Chase who wants to address you and provdde further explanations on what the group of lawyers is doing here in Nicaragua.

[Chase -- in English] Thank you, Ambassador Arguello. As you know, the world court case has now entered the most important phase when we will be presenting the evidence and proof to support Nicaragua's case against the United States. This is the substance of the case. The previous proceedings were all preliminary and jurisdictional matters so it has been very important for me and the rest of us, as Nicaragua's lawyers, to have this time with the officials [corrects himself] highest officials of the Nicaraguan Government to go over with them the elements of the case, the elements of proof, and get their approval as clients for the formal presentation and for the strategy. All this has gone very well. We have made some important decisions as you have just heard about the witnesses involved, about the establishment of the claims commission. I want to say personally that as a lawyer, and as an international lawyer, I am deeply impressed by the involvement and understanding of the highest officials of this government about the case, and by their commitment to the rule of law and the use of the world court for the peaceful settlement of disputes, and particularly this dispute with the United States.

[Moderator] If the companeros have any questions, please identify yourselves and the media you represent. [37-second musical break in transmission by station] Well, dear listeners, this has been a live broadcast from the Presidential House where Commander of the Revolution Daniel Ortega Saavedra, president, held a press conference with the U.S. lawyers who are in the country to gather the appropriate evidence and present it at the International Court at The Hague on 12 September to prove, once and for all, who is the real terrorist in the world. That is the court that is going to accuse U.S. President Ronald Reagan. We now go back to our main studio.

U.S. CONGRESSMEN MEET ORTEGA, VISIT LA TRINIDAD

PA202113 Managua Radio Sandino in Spanish 1750 GMT 20 Aug 85

[Text] Commander of the Revolution Daniel Ortega, president of the Republic, met last night with a delegation of U.S. citizens headed by Democratic Congressmen Buddy MacKay of Florida, who is a member of the House of Representatives Foreign Affairs Committee, and Mike Andrews of Texas. The U.S. delegation arrived in Managua last Saturday to make an in situ analysis of the country's situation. They traveled to Esteli Department, specifically to La Trinidad, which was recently attacked by counterrevolutionary groups. The visitors could confirm the damage done by the freedom paladins financed by the Reagan administration. Luis Enrique Figueroa, Nicaraguan ambassador to Cuba, was present at a meeting with the U.S. guests.

MISURA'S FAGOTH, RIVERA TO BE EXPELLED

PA210115 Paris AFP in Spanish 2212 GMT 20 Aug 85

[Excerpts] Tegucigalpa, 20 Aug (AFP) -- Brooklyn Rivera and Steadman Fagoth, leaders of the indigenous anti-Sandinist Miskitos, Sumus, and Ramas [Misura], will apparently be expelled from that rebel organization, which operates on the Nicaraguan Atlantic coast, this week. Adan Artola, spokesman for Misura in this capital, told AFP that both leaders have been virtually removed, but that the movement currently maintains 2,000 armed men struggling against the Managua government.

Rivera, Artola explained, "will possibly be expelled by the assembly of the Council of Elders, which will meet this week, because he has lost all popular support for a dialogue with the Sandinists. If he achieves power in the movement, he will continue to negotiate with the communists," said Artola, commenting on the attitude by Rivera, who has held talks without results until now with the leaders in Managua on the problem of autonomy for the indigenous peoples of the Nicaraguan Atlantic coast.

The Misura spokesman recalled that Rivera, Fagoth, and Haysel Lau were elected the top Misura leaders by popular vote on 11 November 1979. However, the first two "never understood each other," while the latter now heads the indigenous group Miskito Aslatakanka Nicaraguara [Misatin] which is termed "pro-Sandinist." These three individuals are the cause of the rift within the Miskito family," Artola stated. Artola explained that his organization previously depicts Fagoth as "a boy sick with power" and that in 1984 he "attempted to overthrow the Nicaragua Democratic Force [FDN] leadership through a plot."

In the wake of his expulsion from Honduras, Fagoth continued "to make his own decisions, said Artola, and the Council of Elders, the ranking Misura leadership, demoted him from commander in chief of the general staff to a member of the Political Commission, as it also did with Rivera. Raul Tobias was given the military leadership. Artola also said that "Fagoth has managed the organization's funds in an irresponsible manner."

Knowing that both he and Rivera would be demoted and removed from their posts on 8 and 9 August, Fagoth grouped 30 men including relatives and bodyguards and tried to storm the headquarters of the Misura general staff, located in a base on the banks of the Haspuk River on the Nicaraguan Atlantic coast, Artola indicated.

Prior to this, Fagoth kidnapped 14 persons including a member of the Council of Elders, Genaro Bell; Mario Cardoba, member of the general staff; and Commander Jose "Chino" Salomon. In exchange for their liberty he demanded that all Misura arms be turned over, but those who were being held asked that the deal not be carried out. On failing, Fagoth fled to Honduras with six supporters where he is being detained by the Honduran authorities.

WHEELOCK REPORTS 400 MILLION IN GRAIN LOSSES

PA200416 Managua Domestic Service in Spanish 0300 GMT 20 Aug 85

[Text] The losses on the basic grains plantations due to the drought are calculated at approximately 400 million cordobas. This was revealed during the weekend by Agricultural Development and Agrarian Reform Minister Jaime Wheelock during a tour through production zones in the north. Nine departments have been affected by the drought, and the revolutionary government will help these areas with food to mitigate the consequences of the drought.

ARMY COMMANDER DISCUSSES MILITARY SITUATION

PA202227 Managua BARRICADA in Spanish 19 Aug 85 p 7

[By Maria Isabel Pasos]

[Text] Juigalpa (ANN) -- Some 160 dead, a large number of wounded, and 102 counterrevolutionaries captured, were the results of the Sandinist armed forces' actions in the past 2 months, in the departments of Boaco, Chontales, and Rio San Juan, according to confirming reports from the Fifth Military Region commander, Roberto Calderon.

Concerning the northern sector of the region, Calderon explained that the Jorge Salazar regional command of the Nicaraguan Democratic Force [FDN] has tried to establish itself in the center of the territory, but the Sandinist People's Army [EPS] forces have stopped its advance. Despite the group's incursion into the village of "Cuapa," some 160 km east of the capital, the method used was to approach the objective avoiding a confrontation with the EPS troops. Calderon said: "The charge of the counterrevolutionary forces in their efforts to carry the fight to the villages and highways corresponds to a detailed plan prepared by the CIA, and executed by its armed branch, the FDN, to give the impression of a sweeping advance from the borders deep into the country," he said. They know well, he added, that due to the condition of the region, they cannot establish themselves there, but they make a display of their armed presence as part of the same plan.

According to Calderon, most peasants enrolled in the ranks of the counterrevolutionary bands have been brutally intimidated into joining these organizations after having been kidnapped and taken to Honduran territory for training. Through the use of the weapons provided by the "contras," he said, the peasants are gradually assimilated into these groups. However, "we would not say the peasant is a political or ideological enemy of the revolution, or that he is fully convinced because he is carrying a weapon."

When in combat, Calderon added, the peasant shoots along with the other counterevolutionaries "in an effort to protect his life." This lack of conviction is evidenced by the thousands of peasants who desert the ranks at the first opportunity to return home or start anew somewhere else. As an example, the EPS delegate referred to the case of some communities in "Nueva Guinea," to the southeast, mostly inhabited by women and children, where a return of the peasants to their homes has been observed following the latest EPS operations.

"A rebirth of life in the communities " can be observed, Calderon pointed out.

He noted that the counterrevolutionaries use different methods of coercion in recruitment, such as involving the kidnapped peasants in the crimes they commit or forcing them to use knives and guns on corpses to mark their complicity. It has also been detected that they recruit 13- to 15-year-old children, who are subjected to a "conversion process to turn them into real beasts -- just as the former National Guard did with its recruits."

He added that there are also some elements who conscientiously help the "contras," particularly farmers who respond to the counterrevolutionary propaganda that the Sandinist government intends to expropriate land and eliminate religion and the people's beliefs.

However, their inability to convince the people has been shown by their use of the same revolutionary propaganda in their political activities. Documents seized from the counterrevolutionaries reveal that the "contras" intended to teach the youngsters popular songs created by the Sandinists and use them, he explained. "They (the contras) cannot promise anything because the Nicaraguan people lived through 40 years of Somozism, and knew of the crimes and thefts of the National Guard," he said.

The organization of a large number of territorial permanent militia units has been the answer of the fifth Military region to the counterrevolutionary aggressions, the commander noted. These organizations have emerged in their own territory within the concept of territorial defense, he said, highlighting the case of Nueva Guinea, which has continued to be cooperative against the bands "solely and exclusively with local personnel."

Since the "Cuapa" attack, the commander added, the people, to some extent not affected by the war, now understand what the "contras" intents are. "The Cuapa residents saw some of the peasants kidnapped by the counterrevolutionaries, who were later found beheaded," Calderon noted. In view of this situation, he added, there are a number of sectors who have gained awareness of the need to defend their lives, families, and property against the counterrevolutionary activity.

Commander Calderon has been designated by the Nicaraguan Government to establish a series of contacts with Oscar Vidal, head of the Costa Rican Civil Guard, to discuss border issues that have emerged as a result of the presence of counterrevolutionaries in that country. According to Calderon, communications have been geared toward avoiding actions that could damage "the difficult relations we have at present with the neighboring Republic of Costa Rica."

Nicaragua, he said, has offered all of the necessary information while the Costa Ricans have expressed concern over the presence of the "contras." Nevertheless, they have not provided satisfactory answers to our complaints, using the usual argument that they do not have a force capable of controlling rebel groups.

"There are zones in Costa Rica where the counterrevolutionaries are really a power parallel with the Civil Guard, the Rural Guard, and the Costa Rican Government itself. There are places where the "contras" do not even obey the laws established in the territory," Calderon said.

He stressed the possible arrival of a Contadora Group commission to inspect both borders, because this would prove that despite the fact that the Democratic Revolutionary Alliance [ARDE] has groups in the interior of the country, "all of their logistics facilities are still in Costa Rican territory."

DRAFT OF NEW NATIONAL CONSTITUTION COMPLETED

PA200019 Managua Radio Sandino in Spanish 1750 GMT 19 Aug 85

[Text] The draft of the new Nicaraguan constitution has been completed and the political parties will have the opportunity to give their opinion in due time, Deputy Danilo Aguirre, member of the special constitutional commission, told Radio Sandino.

He also disclosed to this station that several legislative commissions have been appointed to visit Latin American and Western European countries on issues related to the constitution. Let us listen to Deputy Aguirre:

[Begin recording] A legislative commission will be leaving in the next few days for South America, another will visit Cuba and Mexico, and a third commission will leave by mid-October for Western Europe. A subcommission in charge of compiling the contents of the new constitution and putting it in order has already submitted portions of what it has completed to the special constitutional commission.

This, of course, can be improved upon by the consultations that should take place, which undoubtedly will contribute to improving some aspects of the new constitution, which contains fundamental concepts on the issues of democracy, political pluralism, nonalignment, anti-imperialism, Latin Americanism, anti-interventionism, and the defense of the country.

In a recent session, the subcommission delivered another portion of the document dealing with the structure and organization of the government consisting of the functioning of the executive, legislative and judicial branches, which is called the skeleton of the constitution. The special constitutional commission announced that the public will be kept informed throughout the process of discussing the new constitution. [end recording]

The deputies who will soon be visiting South America are Humberto Solis of the FSLN; Eduardo Molina of the Democratic Conservative Party; Alfredo Rodriguez of the Popular Social Christian Party, and Carlos Lucas of the Marxist-Leninist Peoples Action Movement [MAP].

All Parties Can Express Opinions

PA201733 Managua Radio Sandino in Spanish 1200 GMT 20 Aug 85

[Text] Commander of the Revolution Carlos Nunez, president of the National Assembly, has said that no political party, whether or not represented in the legislature, is obliged to express its opinion on the future Nicaraguan constitution. The FSLN National Directorate member stated this after the special constitutional commission yesterday received the views on the constitution of the Democratic Conservative Party of Nicaragua and the Nicaraguan Socialist Party.

Nunez said that the party that refrains from appearing before the Assembly's national consultation commission is not only refraining from expressing its historic opinion but is preventing the people from knowing about it.

Regarding the parties outside the Assembly that did not participate in the November elections, Nunez said that they will have the opportunity to express their opinions and added that this will be optional and voluntary. The Social Christian, Social Democratic, and Constitutionalist Liberal Parties can be received by the national consultation subcommission or express their opinions in writing, Commander Nunez said.

Socialist Party Presents Views

PA201727 Managua Radio Sandino in Spanish 1200 GMT 20 Aug 85

[Text] The rights, duties, and guarantees of the Nicaraguans established in the Fundamental Statute should be incorporated into the Nicaraguan constitution, Luis Sanchez Sancho of the Nicaraguan Socialist Party [PSN] stated to the members of the National Assembly's special commission on the constitution. In the foreign policy area, the PSN believes that the war of aggression and the use or threat of force in relations among states are a crime against the freedom and the existence of peoples. Peace must be protected by a system of peaceful and negotiated solutions to international conflicts, the PSN said. Sanchez Sancho said that the constitution should establish the periodic renewal of the representative authorities. He also said that there must be full freedom of thought and separation of church and state.

PCDN Expresses Opinion

PA200251 Managua Radio Sandino in Spanish 1930 GMT 19 Aug 85

[Excerpts] Today the Democratic Conservative Party [PCDN] presented a broad analysis on the constitution before the National Assembly's special constituent commission. According to the PCDN, the political constitution that will guide the nation should be presidential, republican, democratic, and representative from the viewpoint of state definition. The government branches should be defined as executive, legislative, and judicial, giving the legislative branch a larger quota of power and reducing the executive branch's decision power. The PCDN believes that the state should be unitary, pluriclassist, pluri-ideological, nonaligned, and based on a mixed economy.

According to the PCDN, each of the government branches should have relative autonomy, permitting them to carry out their respective duties within their specific scope of action. The PCDN believes that the constitution should be the result of a dialogue between the various political and social forces in the nation because if it does not include the proposals made by all sectors it would be the framework for a totalitarian type state.

Some of the aspects discussed by PCDN members and the special constituent commission were related to defense, in view of the proposal that 10 percent of the nation's total budget should be used for defense. Here are the PCDN arguments concerning defense:

[Begin recording] [First unidentified speaker] After all, the expenses incurred by an army and the expenses of any government institution are directly proportional to government funds, which are distributed in a legal instrument called the national budget. Of course, there should be a relationship between budget distribution and the total budget. For example, the judicial branch evidently has a budget assignment based on certain evaluations; in the same manner, the budget assigned to the armed forces of any country should be proportional to the national budget, particularly in our poor countries where resources are few and the needs are many. In other words, it should be a percentage, a measurable amount. Now, 10 percent is a tentative amount, perhaps too much. I understand that the military budgets in almost all parts of the world do not exceed 5-7 percent. Here in Nicaragua it was tentatively decided that it would be 10 percent; however, this is really an estimate. We would have to conduct a study of the [word indistinct] budgets and the historical budgets, and make projections for the new budgets in order to establish the parameters that could lead to a rational figure that would enable us to adequately handle the defense means without excessively cutting funds from the state's productive system. That is the idea. There should be a relationship between military expenses, government resources, and the funds assigned to other government sectors.

[Second unidentified speaker] I would like to add that I trust in God that we will not always be in this war against U.S. imperialism, which is strangling us economically, socially, and physically, and attacking us in many forms. These norms on which we are going to develop and [word indistinct] the country are allegedly for normal, peaceful times. In addition, within the many notable aspects of the revolution, there is the concept of the people in arms. We must develop the concept that exists in Israel and in Switzerland, where everyone is a soldier. Here, according to them [not further identified] there is no one who is not a soldier. If this is so, each soldier should have his weapon, equipment, ammunition, and uniform at home. At the zero hour, all citizens within the age bracket, or whatever, become soldiers considerably reducing the defense cost for a republic with limited resources. Of course, as I said, this is not the case now; right now we must use all of the funds available because, as it has been said, the main priority is defense and production is second. Therefore, our recommendation does not apply under the current situation, but under normal circumstances. [end recording]

Meanwhile, Rafael Cordova Rivas, deputy coordinator of the PCDN National Executive Council, said today that after stating its position his party will probably be accused of defending the FSLN, since it recognizes the revolutionary government as a historical necessity. However, he stressed that his party has strongly criticized the mistakes made by some FSLN leaders who have tried to turn the revolutionary government into a people's government. Here is his statement:

[Begin recording] When the FSLN convoked national elections it abandoned the thesis of a sole party, the Marxist-Leninist thesis, and adopted the traditional thesis of the Latin American countries. This is an undeniable fact. The Sandinist Assembly can say whatever it wants, but the truth is that when the FSLN convoked elections in the traditional, democratic Latin American way -- which by the way were very honest, true, clean and free -- it abandoned the path toward a sole party. As you know, in those countries where there is only one party there are no long lines of voters because only those who belong to the party vote; the rest of the citizens stay home, so you do not see long lines of voters. Here in Nicaragua we saw long lines of voters; some of them voting for the FSLN, others for the PCDN. We do not see this in those countries where not all citizens but only the members of the party vote, even if it is a plebiscite to approve a constitution. The FSLN has pragmatically realized that the revolution is what counts and not the ideology. It must try to remain in power. The best way to remain in power is to do exactly what it is doing.

Commander Tomas Borge admitted that in reality this country is in the backyard of imperialism, that they have made a mess of everything, and that things must be clarified or there will be no solution. Therefore, this is precisely the clarification: elections, the constitution, political parties, political pluralism, ideological pluralism, mixed economy; in other words, to enter into the path of a democratic republic. We are heading in that direction. The document I saw on the table of the constituent commission was surprisingly democratic and republican. I am referring to the document used as a guide for the discussions. The analysis by the PCDN contributes to this.

The reality will not change, the revolution will be institutionalized and, undoubtedly, the country will be better off. Of course, if the imperialist attacks continue with the $27 million and now with the humanitarian million-dollar aid they will give in 1986, there will never be peace here and the constitution will not work because we will be in a permanent war. The problem here is that just as we have defeated the contras tactically, we must defeat them strategically. Tactical defeats are just that, but the strategic defeats are the ones that carry weight at the bargaining table. [end recording]

Zambrana on PCdeN Views

PA200315 Managua Radio Sandino in Spanish 1930 GMT 19 Aug 85

[Text] Communist parliamentarians Allan Zambrana said today that the Communist Party of Nicaragua, [PCdeN] will not present a draft constitution to the special constituent commission.

[Begin Zambrana recording] The PCdeN will not present a draft constitution, that is, a technically prepared document. However, in seeking a national consensus on the foremost principles of the current historical moment in our country, in other words, rescuing self-determination, national sovereignty, independence, and our national democracy of consensus, the PCdeN will present its general viewpoints regarding the contents of the constitution before the special constituent commission.

We are interested in and trying to learn the opinions of the various political parties to determine the extent of our agreement on the general aspects, and also to see if we can present global ideas on the constitution's contents. Undoubtedly, we believe that the constitution should be the result of our people's desires for peace, progress, and social development. It should reflect a democratic concept that will permit free movement and political activities among the popular masses; it should permit the creation of a government that will guarantee the existence of the various parties and also their right to struggle for political power in Nicaragua.

In other words, we advocate a truly democratic constitution that will have verification mechanisms to ensure its compliance.

In fact, we are concerned over the possibility that a constitution that will satisfy the democratic and patriotic aspirations of the various political and social sectors in the country may be approved, but not complied with in practice. We are concerned over this issue. I feel that it deserves the attention of all political parties and all of those persons interested in the democratic implementation of our revolutionary process. [end recording]

PSD Not To Participate

PA210147 Managua Radio Noticias in Spanish 1200 GMT 20 Aug 85

[Text] Here is more information on the national consultation and the political parties' positions regarding it. The Social Democratic Party [PSD], a member of the Ramiro Sacasa Guerrero Democratic Coordinating Board, announced that it will not participate in the consultations convoked by the National Assembly's special commission. The PSD stated that it will not participate because the other party [not specified] and the Coordinating Board did not participate in the November elections.

The document added that the PSD, although it has carefully analyzed what Nicaragua's constitution should be, cannot on principle heed the appeal by the Coordinating Board. This information has been sent to Dr Jorge Ramirez Acevedo, executive secretary of the Coordinating Board, by Dr Luis Rivas Leiva, PSD secretary general. Ramirez has sent word to the members of his organization to consider the Assembly's invitation for the consultations.

The PSD is the first party to announce that it will not participate in the consultations due to its disagreement with the procedure and the Assembly itself.

RAUL CASTRO SPEECH ON MARXIST PARTY ANNIVERSARY

FL162348 Havana Domestic Service in Spanish 2132 GMT 16 Aug 85

[Speech by Army General Raul Castro Ruz, FAR Minister, on the commemoration of the 60th anniversary of the founding of the first Cuban Marxist-Leninist party, the Popular Socialist Party, held at the FAR Universal Hall in Havana -- live]

[Text] Comrades, 60 years have gone by since those days in August 1925 when a small group of revolutionaries, imbued with the ideas of Marx, Engels, and Lenin, met clandestinely to organize the first Communist Party in Cuba.

Today, only 6 decades after that transcendental event, the triumphant banners of the first state of workers and peasants in the Western Hemisphere fly high over our homeland. The spreading of socialist ideas among the Cuban workers and the attempts to create party class organizations are present in the late 19th century, when Carlos Balino embraces and propagates Marxism, Enrique Riog San Martin spreads the basic ideas of Marx and Engels in his newspaper EL PRODUCTOR, and with the logical limitations of utopian reformism, the Cuban Socialist Party, organized by Diego Vicente Tejera, attempts to be the party of the Cuban proletariat. With the arrival of the neocolonial Republic, the first organizations of Marxist character are created, starting with the Socialist Propaganda Club of the Island of Cuba in 1903. Outstanding among these were the Workers Socialist Party, the Socialist Group of Havana, the Socialist Party of Manzanillo, and the Socialist Party of Cuba, which succeeded in founding its own press organization and was active in various parts of Cuba.

Nevertheless, it was only at the beginning of the third decade of this century that the conditions that permitted the creation of the new party began to mature, a party based on Marxist ideas enriched with Leninist theory and practice. This was possible in the party after the triumph and consolidation of the Great October Revolution in old Tzarist Russia showed the oppressed of the world that socialism is not utopian but rather the only way scientifically shown to lead to definitive liberation.

During those years, important changes occurred in the Cuban economy: The great sugar mills were built, railroads were built throughout Cuba, and the great sugar harvests began. This economic development was not translated into an improvement in the standard of living and working conditions of the people. To the contrary, the sugar monopoly ruined the peasants, created unemployment, and worsened the misery of the masses. Strikes were crushed by force, and the crisis fell upon the shoulders of the workers, peasants, artisans, middle class and petite bourgeoisie. These phenomena gave impulse to the combative spirit of the proletariat, helped to raise its ideological and organizational preparedness, and had an influence on the conscience of various sectors of the population that had been struck by the crisis, principally students and progressive intellectuals.

In 1922, the Socialist Group of Havana joined the Third Internationale. In 1923, the Communist Group of Havana was created, and from that moment on, similar organizations were organized in other parts of Cuba. In this way, the minimum conditions for structuring the Cuban communist movement into a party appeared. From then on, the working class, the peasants, and the laboring people had a vanguard organization and an instrument with which to wage the great battles it would have to wage and which would participate increasingly in the Cuban political scene.

As Comrade Blas [Roca] once said, the importance of the founding of the Communist Party in 1925 resides in the fact that it organized the most aware elements of the working class, systematized the propagation of Marxist-Leninist principles, and made it possible for the Cuban workers movement to struggle for the application of these principles, for the solution of the historic problems of the Cuban revolution.

Although it is well-known, it is not excessive to remember on this occasion that among the tiny group of Communists that participated in that event were Carlos Balino and Julio Mella, symbols of the continuity of generations in the struggle for national and social liberation. Balino was a Cuban with a beautiful soul who suffered the trials of humanity, according to the words of Marti, who was not only his friend but also a close collaborator in the struggle to join together effort and will and reinitiate in 1895 the national struggle for liberation. That effort had its historical expression in the creation of the Cuban Revolutionary Party in 1892; the document founding this party was signed by Carlos Balino, who was completely identified with our national hero. Mella, the representative of a new revolutionary generation, brilliant, young, lucid, brave, one of the most extraordinary figures of Cuban history -- as Fidel has said -- had achieved a high degree of development as a revolutionary and achieved an accurate sense of class. He linked the struggle of the students, of which he was the undisputed leader, to the struggle of the workers. A profound and fervent adept of Marti, Julio Antonio Mella also had the merit of having proclaimed Marti's anti-imperialistic philosophy while the lackeys of imperialism kept it hidden to favor their neocolonial domination. Mella disseminated Marti's warning with its full meaning and with a clear sense of the future in relation to the danger that loomed over America, which danger he not only saw but tried to turn aside, unleashing our people's struggle of independence and sovereignty.

In reading the minutes of that congress, one perceives the admirable participation of Julio Antonio Mella -- when he was barely 22 years old -- in the 2 days of discussions of the forerunners of the Cuban Communists on fundamental questions related to the life of the party and its program and the question of affiliating the Cuban Communist Party with the Communist Internationale founded by the leader of the world's proletarians, Vladimir Ilyich Lenin, in 1919.

In 1929, Machado's tyrannic criminal hand ended this young life who at 26 years of age was the greatest leader of the Cuban Communists and anti-imperialists. As an expression of the proletarian character of the new party and its close ties to the poor sectors, five out of the nine Central Committee members elected by the congress were laborers, including three prestigious labor leaders. The other four were a teacher, a clerk, a journalist, and a student. A few years went by and the party extended to rural areas and was nourished with working peasants.

The founding of the Marxist-Leninist party took place in one of the most critical moments of the puppet Republic. It is worth remembering that on 20 May of that year, the reactionary and bloody tyranny of Gerardo Machado had been installed. Thus, the party was born in a climate of terror -- one of persecution for its members, who from the beginning encountered the most difficult situations in fulfilling their historic mission.

Immediately, the Machado tyranny began the worst persecution against Communists. Days after the congress which organized the party was held, an arbitrary judicial process began accusing them of treason. Around 40 members were involved, including Carlos Balino, in spite of his clean and patriotic record and without consideration to his old age and poor health. Jose Miguel Perez, party secretary general, was arrested and thrown out of the country as a result of this brutal repression.

On 27 November of that same year, when the public activities honoring the medical students who were executed by the insane demands of the Spanish volunteers in 1871, were being held, Mella was arrested and he held a hunger strike for 19 days, which transcended our country's borders, and forced the regime to release him. A little later, because his life was in danger he had to go into exile where he finally was assassinated.

Despite these difficulties, the energetic struggle waged by the party and the labor and revolutionary movement against the proimperialistic Machado tyranny was able to shake the regime's foundations. The 20 March 1930 great strike should be underscored.

This first political general strike against the tyranny organized by the Communist Party jointly with the Cuban National Labor Confederation, gathered around 200,000 workers, and totally paralyzed Havana and other important cities. With this, the working class was able to feel its powerful force and a stage of great mass struggles against the tyranny began and culminated 3 years later, in August 1933 with the tyrant's overthrow. The result of those years of confrontation was an impressive amount of communist militant martyrs. At that moment, Mella's struggle banner was in Ruben Martinez Villena's firm and safe hands, who was not only a distinguished revolutionary communist but also a man of sensibility and an outstanding intellectual.

With Machado's fall, a semi-legal period began for the party. It was then when the party Central Committee, considering the situation created after the regime's coup, initiated the call for the struggle in favor of a government for workers and peasants. As the laborers responded to this call, the proclamations of the Soviet of Santa Lucia, Jaronu, Senado, and Mabay sugar mills took place. Even though they did not respond to the Cuban situation at that time, doubtlessly it was an example of the party's mobilization capabilities.

It was also during those years that the combative solidarity between the working class and peasants had evident expressions with the consistent aid the Communists provided even with some very valuable cadres during heroic struggles the Realengo 18 peasants waged when they defended their rights to the land in the present Guantanamo Province. However, the second half of the 1930's with many upheavals and contradictions, brought a worsening of the political and social situation in the country. The Batista-Mendieta binomial, with the U.S. Embassy as scenery and Ambassador Jefferson Caffrey's orders, was able to brutally repress the March 1935 general strike and give a serious blow to the revolutionary movement. In May of that year, the anti-imperialist leader, Antonio Guiteras Olmes died. Over 3,000 political prisoners filled the jails. Labor unions were virtually wiped out. Opposition parties were declared illegal, and Communists were mercilessly persecuted.

Under these conditions, the party decided to rebuild what had been destroyed and consolidate its organization to continue its work. It promoted an important and dynamic movement to regain the rights and freedom taken away from the people by calling for unity against Batista's despotism and imperialism.

An important merit of the first Marxist party is that under those terrible conditions, it was able to undertake that magnificent and intense solidarity campaign in favor of the Spanish Republic. This resulted in the participation of around 1,000 volunteer combatants in international brigades, the largest from Latin America. Cubans went for the first time to another country to offer their generous and unselfish help, which is a noble example of internationalism, part of our country's best traditions. That contingent wrote with the blood of tens of its members a heroic page in the anti-fascist struggle.

Pablo de la Torriente Brau symbolizes all those who made valid the elevated principles of internationalism in Spanish territory. Those grand acts organized in solidarity with the Spanish Republic were also the means for the party to evolve and for the agitation of the masses in the struggle for the reestablishment of liberties and violated rights.

The unity of workers and all the mobilization of the people for these demands along with the changes that took place in the international situation at the start of World War II and its consequences, made it possible for the communist and revolutionary movement to obtain important achievements. The years from 1930 to 1944 were significant. After 13 years of being in the underground, the party became legal because of the workers' and peoples' pressure.

The act of emerging from the narrow underground framework made it possible to expand and consolidate its sphere of influence and action. The newspaper HOY, its press organ, and the theoretical magazine FUNDAMENTOS began publication. Thanks to an unprecedented contribution from the people, the radio station Mil Diez went on the air. This circumstance provided important means for agitation, propaganda, ideological work, and the disclosure of Marxist-Leninist ideas. The ranks ostensibly increased. Suffice to point out that between 1936-39 the militancy increased more than eightfold.

However, if any conquest had any special connotation during that era, it was the creation of the Central Organization of Cuban Trade Unions, CTC, and the election of the beloved Communist leader Lazaro Pena as its secretary general. [applause] In the framework of democratization, the 1940 Constitution was promulgated. The Communist Party, together with other forces, fulfilled an important role to give it the progressive character it certainly had.

Independent of other considerations, in light of one or another tactic that can be made now by scientific research, the party doubtlessly had to face a complicated and complex political situation that is impossible to explain when judging that point in time of its life. Beyond all verdicts and speculations, no one can deny that [corrects himself]-- without telling the truth -- in a consequential manner, with loyal and determination, the Communists defended by every means the interests of the Cuban working class and the people in general, and served the central objective, which at that time progressive humankind was seeking, the defeat of Nazi-fascism and, why not say it also, the salvation of the USSR, without which we would not be here celebrating the 60th anniversary of the first Communist Party. [applause]

At this time and after the Nazi-fascist invasion of the USSR and beginning of the motherland war, the Communists undertook an intense mobilization activity in solidarity with Lenin's homeland and other European countries, which were confronting that criminal aggression. The post-war and Cold War period brought about radical changes in the national and international situations. For the Communists, a new turbulent era began when a savage, reactionary offensive was unleashed against the workers' and Communist movement throughout the entire country.

From 1947, the systematic attacks against trade unions, the renewal of the brutal persecution of Communists and labor leaders, and organized crime reigned everywhere. Precisely, it was during that period that the assassination of Jesus Menendez took place in Manzanillo on 22 January 1948. That repugnant act produced a violent commotion, and I remember that the students made public a document of condemnation in which, not by accident, Fidel's signature appeared repudiating that unspeakable crime, for which U.S. financial circles, owners, and gentlemen of the sugar industry economy, had found once again the executioner among the henchmen of the Army, organized in the image of its masters. We have said little of this affair, a glory for the rebel army which 10 years after that infamous assassination executed the assassin of the great labor leader Jesus Menendez after a legal trial. [applause]

Worse moments awaited our people. The prevailing situation until then turned especially somber and dramatic as a consequence of the reactionary and treacherous coup of 10 March 1952. In addition to Fidel who, in his article titled "Revolution, No; Lashing Out With a Claw," denounced the criminal essence of that act that had violently worsened the economic, political, and social situation of the country. The People's Socialist Party was the first political organization to publicly condemn the putsch, and wisely denounced that it was a part of the imperialist strategy at the time for Latin America.

As expected, the Communists were also present there despite the initial misunderstandings and tactical differences, which were overcome in the face of the historic justness and prevalence of direction postulated by Fidel. Following the intensification of the terror unleashed after the assault on the Moncada Barracks, the party was forced to burrow underground. But it had prepared itself for such an eventuality and, from it, continued its confrontation against the Batista tyranny.

Together with the struggle aimed at reaching profound solutions -- as the party called them -- solutions which meant the overthrow of the dictatorship and establishment of a government which would represent the people and which would be capable of initiating the necessary reforms demanded by the country's situation, the Communist militants also undertook important actions for the achievement of immediate economic and political gains for the workers.

An obvious demonstration of the conjugation of these two factors was the general strike in the sugar industry to demand the payment of the sugar industry differential of December 1955, a strike which was encouraged and enforced by the People's Socialist Party, the defense committees for workers' demands, and other labor organizations. This strike had a broad support by the country's sectors, including the students. This culminated in a direct confrontation which shook the dictatorial and pro-imperialist regime.

In this brief historic recollection, it is just to recall that during the difficult days that followed the Granma landing, the People's Socialist Party urged all the opposition parties to carry out joint or separate actions to paralyze the tyranny's efforts aimed at exterminating the members of the expeditionary force which had been dispersed and was being persecuted by the regime's troops.

This was joined by all those who were really fighting against the tyranny and trying to change the fatherland's destiny. Unity was gradually forged in the melting pot of the struggle. Joining the revolutionary avalanche of combatants of the new heroic deeds, which the rebel army adopted as a cause under the leadership of Fidel Castro, were the Communists. The most revealing fact of the ideological and political fusion -- which took place later on -- emerged in the guerrilla detachment organized by the party in 1958 in the area of Yaguajay, under the unconditional leadership of Camilo Cienfuegos when he -- after the heroic invasion he led from the eastern part of the island toward the center hoping to continue on to the westernmost end -- arrived in the territory of the former Las Villas Province.

Among those who gave their generous lives in the last battle of the Cubans for a real and definitive independence without seeing the fruit of their sacrifice are the names of many Communist militants. In the 36 years of existence of that party, the ideological struggle played a prominent role such as the education and dissemination of Marxist ideas in our country, under any type of circumstances and confronting, with the most modest but determined means and resources, the lies, prejudices, and the most infamous campaigns.

That tenacious effort was not useless. A convincing example of it is the unquestionable fact that the comrades making up the group that led the armed struggle against the Batista tyranny knew and fervently shared the ideas of the founders of scientific socialism and were fully aware that only in that direction could radical and definitive solutions be found to our people's problems.

With that initimate and profound conviction, Fidel wisely led that struggle which took us to victory 26 years ago. With great pride we proclaim today that there is no battle in our fatherland's life, in our people's struggle in which the party of the Cuban Communists has not been present since its founding in 1925, even under the most adverse conditions.

Comrade Fidel has brilliantly summarized the historic role of this party when he said: That party conducts an extraordinary effort in raising the awareness of our working class and people; moves forward the union, peasant, women's and youth organizations; struggles relentlessly for the rights of the workers and peasants; struggles against hunger wages; struggles against peasant evictions; struggles against racial discrimination; struggles against women's discrimination; struggles against a society of hunger and poverty; struggles restlessly against imperialist domination in our country; struggles for the unity of the revolutionary movement in Cuba and the revolutionary movement in the rest of the world; struggles for the defense of the Soviet Union; and practices the principles of Marxist-Leninism in a consistent manner.

Comrade Fidel also said: It has traversed numerous vicissitudes, very difficult historic moments. Most of its life has been spent in the underground or semi-underground and there is no progressive law, or law or measure for the benefit of the workers and peasants or the people during the years of the pseudorepublic which was not attained without the tenacious effort of the first Communist Party of Cuba.

Fidel also said: The working class saw in it its vanguard, saw in it its most consistent defender, and that was never forgotten. A proof of that was when hundreds of thousands of workers joined hands to accompany Comrade Lazaro Pena, founder of the Central Organization of Cuban Trade Unions, to his resting place. The role played by that Communist Party in the dissemination of the Marxist-Leninist ideas and in the formation of a revolutionary consciousness among our workers and people will never be forgotten. [applause]

Many gave their lives on the road of the revolutionary struggle. Nevertheless, it is a joy that many others who challenged the enemy selflessly and with unyielding spirit of optimism and victory today are with us in the daily struggle.

In outlining the history of our first Marxist-Leninist party, it is worthwhile to stress that one of its greatest virtues was its capacity for self-criticism, which it never lost. It learned from Lenin that the attitude of a political party toward its errors is one of the most important and safest criteria for judging the seriousness of the party and the carrying out of its duties toward the working masses. Guided by this criterion the party openly acknowledged its mistakes, studied their causes, and determined the way to correct them. And from each exercise of self-criticism, it emerged stronger, more ideologically mature, and better prepared to continue the struggle because its mistakes did not affect its faithfulness to the working people or the honesty of its revolutionary leadership.

It is not possible to speak of the party and its battles of yesteryear or of the party and its battles today without mentioning Comrade Blas Roca, who has consecrated his life, his intelligence, and his revolutionary passion to the great work of socialism. [applause]

In 1929, he joined his life to the cause of the humble, the workers. And with unwavering faith in principles, he led the party from 1934, avoiding the worst obstacles in the achievement of the noble objectives of the full emancipation of the nation and of man. With pure patriotism and faith in the future, he placed the party's banner in Fidel's hands after the triumph of the revolution, demonstrating the revolutionary honesty and incomparable unselfishness that distinguish men of exceptional political consciousness and moral stature. On that memorable occasion, Blas said: In the face of all obstacles and difficulties, Comrade Fidel has shown genius in leading the revolution toward the construction of socialism through the establishment of collective ownership of the basic means of production, and the elimination of imperialist, latifundiary, and capitalistic provate property. Fidel is now the foremost Cuban socialist workers' leader, Blas concluded. [applause]

These words of Comrade Blas Roca on Fidel synthesize, with the mastery to which Blas has accustomed us, the historical stature the maximum leader of our revolution had achieved when Blas recognized Fidel as his successor as the leader of the Cuban working class. But these words also depict with clarity the nobility, humanism, and humility that always accompany true wisdom. And Blas Roca, the man who led the party of Mella and Balino for 26 years was also, at the decisive moment when he handed the banners of that party to Fidel, measuring up to his own merits and his extraordinary human and revolutionary virtues. How great a privilege it is and how much happiness it gives us to have him here with us on this anniversary and to know that he continues to work and to be useful, that he is a model of discipline, of steadfastness, and loyalty! We hope that his latest work, on which he is still employed, will be approved at the next session of the National Assembly of the People's Government; that is, the important Civil Code. [applause]

This identity of Comrade Fidel and Comrade Blas Roca is also a symbol of the singular process of ideological and political unity that grew from the seed of the Communist Party and that today joins together our most valued people and, with prestige and authority, directs the revolution.

As Comrade Fidel said 10 years ago, at the commemoration of the 50th anniversary of the founding of the party: One day the 26th of July Movement, the Popular Socialist Party, and the 13th of March Revolutionary Directorate ceased to exist in order to constitute, under their revolutionary banners, the bases of our great Communist Party of today. As I have spoken tonight and referred to the party founded by Balino, Mella, and Fabio Grobart, I have abided by the formal differentiation that appears in our official documents, and have spoken of it as the first Marxist-Leninist party of Cuba.

Quite rightly today, thanks to the unity we have achieved and to all we have built and created together during more than a quarter of a century, thanks above all to those ideas that have triumphed because they are the most just, the most revolutionary, and those that mark the history of humanity -- the ideas of Balino and Mella, the banners of Marxism-Leninism -- and thanks to the chief that our people have given us, the differentiation between the first party and the present party may have academic validity but, fortunately, in this country, from the historical and moral point of view, the revolutionary cause has always in the most crucial moments had a leading party. [applause]

One party, as Fidel said on that occasion, not three or four parties. And, as corresponds to our time and the world we have before us, there is only one party with a true and scientific ideology, but only one -- the independence party of Jose Marti.

Comrades, on examining the activities of the first Leninist party and its militants, one cannot ignore the fact that they were forced to do battle without rest, not only against almost always bloody repression, but also against the economic siege of the classes in power which irremissibly condemned the party militants to unemployment, hunger, extreme poverty, political isolation, and other obstacles that could only be overcome with incredible sacrifice, selflessness, heroism and revolutionary courage.

I did not want to make a long speech. Still fresh in our minds are the initials of the Anticommunist Repression Bureau, BRAC, whose members were captured after the revolution triumphed, where the persecution in one or another province could clearly be seen, where employment was taken away from a simple militant. He would move to another location and they would give him work. That is the history of the struggle. I can say that being a communist now is easy. Being a communist then was truly heroic. [applause]

Along with that, what I most admire is the faith they had in the future, because they struggled without knowing when socialism would reach America. When would it arrive in our country, Spain's last colony? Some estimated that after the year 2000 socialism could become a reality in our country. But they struggled with faith, even though many were sure that they would not see the triumph of socialism. But they did see it. There are Fabio, Emilio, and Blas. [applause]

In addition to these great difficulties, the party had to confront anticommunism in the ideological sphere. Yesterday as today, that anticommunism was based on a number of values generally imposed and accepted in the bourgeois latifundium society. Private property, legitimacy of increased prices, deep-rooted social and racial prejudices, and so forth, were continuously used in the barrage of propaganda that the classes in power and imperialism were releasing, and still release, from their powerful means of communications and education, press, radio, and television, against which the party only had at its disposal most of its life modest clandestine newspapers, mimeographed pamphlets, flash street rallies, and the personal labor of the militants. Only for a period of 9 years of the 34 years it lived under the bourgeois Republic did the party have a relatively stable press organ, maintained with immense efforts and the people's economic support.

The anticommunism, which presented the militants of the party as enemies of the homeland, religion, and family, as agents of a foreign power, as violators of individual rights, and accused them of trying to collectivize everything, including women, had an impact on varous sectors of the population, above all on the working aristocracy and the urban and rural petite bourgeoisie. Many honest people, including some revolutionary combatants, under that influence, at some moment were inclined to evaluate the work of the People's Socialist Party with the stereotyped and false anticommunist prism. This is an accepted truth.

But now we can understand it much better that by exercising power, the power of all the people, using the resources of our socialist state, and having the political and moral support of the work of more than 25 years that has transformed our country, we also have to confront the lies, distortions and false accusations against Cuba spread by dirty, imperialist propaganda. How many times have we warned that where bourgeois ideology and exploitative classes rule, they control the media and can temporarily take advantage of confusion and false interpretations about Cuba and its revolution.

Comrades, a happy coincidence occurs during the same month in which we commemorate this 60th anniversary; an exemplary member is celebrating his 60th birthday, one loved by that small group of combatants that met to give life to our first Marxist Leninist party, a tireless struggler who is a communist example to us, Comrade Fabio Grobart. [applause]

Both anniversaries naturally are united in this salute, since Fabio and the party's life are inseparable. Since he joined the Communist Youth League of Poland, his birthplace, at the age of 16, Fabio has completely devoted his existence to the socialist cause. And from age 16, forced by the brutal repression unleashed against the Communists, he abandoned his country of origin and came to live in Cuba.

Here he found his second homeland, if Fabio can be assigned a homeland. I believe his homeland is the workers of all mankind. [applause] Here he found his second homeland and used it as a new trench. Founder of the party in 1925, his exceptional merits and virtues led him to membership in its Central Committee in 1926. And from then on he always held responsible party leadership posts. Together with Mella, Ruben, and other Communist leaders, he participated in important party activities and in the historical struggle against the Machado tyranny, for which he was imprisoned and deported. When he returned after Machado was overthrown, he again assumed his high responsibility within the party leadership. He was placed in charge of the Organizing Secretariat of the Central Committee of the Communist Party and held this post for many years, adding to his feverish practical activities an estimable labor of educating politically and ideologically party cadres and members, labor leaders, and leaders of the masses.

At the beginning of the 1950's, the party decided to remove him from the path of the many dangers that threatened his valuable life. Let us remember that Fabio was the favorite target of the repressive organizations of imperialism. For this reason, in 1952, when the Batista tyranny took over, Fabio was the representative of Cuban workers in the World Federation of Trade Unions, where he did a praiseworthy job in promoting needed international solidarity with the struggle taking place in our country. I remember as if it were today the imperialist propaganda about the sinister Fabio Grobart, agent of the Communist Internationale! When we had a chance to meet him after the triumph of the revolution, in early 1959, he was the complete opposite of "sinister." To say Fabio Grobart was to speak of a symbol of modesty, simplicity, and firmness of principles evidenced throughout his long life as a communist.

When he returned to Cuba after the triumph of the revolution, he was placed at the head of the magazine CUBA SOCIALISTA and performed admirably, just as he performed while directing the History Institute of our party, where he gave his best in energy and intellectual capacity with the enthusiasm and dedication that characterize him.

Because of all of this, Fabio Grobart is one of the most lucid and most respected members of the Central Committee. We Cuban revolutionaries have the privilege of counting on the experience, counsel, criticism, and teachings of this untiring fighter of today and yesteryear. Fabio is life and paradigm. He represents the firmness of principles, the will to perform, unvarying faithfulness to the cause, unlimited love of the people and of humanity. Words cannot fully express our admiration, respect, and affection, which is shared by our party and people, for this revolutionary who in more than 6 decades of working for the communist cause has won a place of honor in the history of the struggle of our workers and people for definitive liberation. His exemplary life gives prestige to and ennobles the title of Socialist Work Hero and the Lazaro Pena Order that has been conferred on him today.

With profound respect and gratitude, we share this day with Comrade Emilio Rodriguez Lara too, who was a participant in the historical meeting of 16 August 1925, and who in all justice has also been awarded the Lazaro Pena Order.

Today is a happy day for all of us. On the threshold of the third party congress, which unites us all -- founding revolutionaries, Moncada and Granma and rebel army revolutionaries, the generations forged in the building and defense of socialism -- the seed sown that 16 August 1925 has born fruit. The members of this glorious party now number tens of thousands of times the original 17, and the invincible ideas of socialism encourage our people's struggle to build the new society and defend their great achievements. We march firmly, serenely, and with determination towards the achievement of our goals in an unyielding alliance with our fraternal, solidary, and unfaltering sister nation, the USSR, with the socialist community, with the progressive and revolutionary states, with all the peoples of Latin America, the Caribbean, and the Third World.

As Fidel has said, the present we are living has exceeded amply the dreams of everyone who has consecrated his life to the supreme ideals of socialism and communism. Now, I did not have time to write the end [of this speech] and we are going to try to improvise one. [applause]

A few hours ago, I returned from Camaguey. At the end of this speech, I say it is a happy day for everyone and will explain why. I can say this day is doubly happy. Sixty years ago our party was founded, a continuation of Marti's party and forerunner of Fidel's party. As a communist, I envy Blas and Fabio. What do they think at their age, simple men of the people, self-taught, who had neither money nor the chance to study, when they look back after dedicating their entire lives to the cause of the people, the worker's cause, the cause of socialism? The two will be a paradigm for future generations, the two must be an example for all the present and future leaders of our country, especially when on occasion, as Pablo la Torriente Brown said, one feels dizzy thinking about the posts one can achieve. Or, as we sometimes say, one can suffer mountain sickness, which is a term used by the Andean peoples which means dizziness at great altitudes due to the lack of oxygen. I believe that, as Fidel repeatedly says, quoting Marti, all the glory of the world fits within a single kernel of corn.

The three worst enemies any leader can have in the exercise of his role in party, state, or mass organization activities are vanity, pride, and arrogance. The best antidote for human vanity and those other ridiculous evils is to think about Blas Roca or Fabio Grobart. [applause]

Today, I am happy because I have just returned from Camaguey, where that province together with Ciego de Avila and Victoria de las Tunas, held the fifth 9-day military training course for political and government leaders which concluded yesterday. All party provincial committee first secretaries, almost all Politburo and Secretariat members, almost the entire Council of Ministers, and mass organizations and Union of Young Communists [UJC] cadres were present. Although this time the weight of the work was carried out by the people from Camaguey, 60,000 workers, men and women from those three provinces, gave us, the few leaders present classes. Each one of the members of the Territorial Troops Militia [MTT], defense zones, special forces, production and defense brigades gave classes en masse to our leaders by each of them making their small individual contribution.

If the unity of our people was great, known to be so worldwide, the unity around the party and Fidel, today -- in the effort to fulfill the second party congress' basic watchword which looks as if it will be in full force during the third congress, "Production and Defense," to raise constantly the level of production, to constantly struggle against deficiencies, and [also present] in the gigantic effort of our people to strengthen the country's defense -- today there is greater unity than ever before, today there is more determination than ever before, today there is greater strength than ever before. This is another reason why I am happy during the 60th anniversary of the founding of Cuba's Communist Party. [applause]

I am also happy when I think about Fabio, a 18-year-old Polish young man who comes here, without speaking any Spanish, and who after 60 years cannot pronounce it well. Look how hard Spanish is. [laughter] He writes brilliantly and you can understand him perfectly well when he speaks, but he does not pronounce it well. A young Polish man who does not speak the language, a Polish communist comes to Cuba, not running away, not to join the rearguard, but to [be active] here. He has the honor of founding the Communist Party with Balino and Mella in 1925.

While Fabio was speaking, I was thinking about the case of a Soviet couple who ran away during the October Revolution, came to Baracoa, where the so-called Russian Hotel is located. I did not meet the husband, he died before the triumph of the revolution. He came here running away from socialism and found socialism here. His widow made a terrific gesture. She wanted to turn in her hotel. We did not accept it. It was a small hotel which was recently restored. It is very pretty, it is located at the Baracoa Pier. She turned in the savings she had in dollars. She did not accept the Cuban pesos we gave her. She turned them in, around $25,000. And she died peacefully with socialism and did not run away anymore. On several occasions, when I stopped at that hotel when I visited Baracoa I spoke to her about that.

And to finish, I remember another couple running away from Czechoslovakia's socialism. They came here, and several years later socialism arrived in Cuba and they ran away to the United States. I want to end by saying this to Blas and Fabio, some day socialism will also arrive in the United States. [applause]

I really want to end by saying to Comrades Blas and Fabio that once more, as if previous times were not enough, after having had direct contact with the people of the aforementioned provinces, and with recent contacts with other party leaders in other provinces, I repeat, I am happy and I can say the following: What great people we have, what a great party we have, what a great commander in chief we have! Long live all of them! Fatherland or death, we shall overcome! [applause]

INTERNATIONALISTS COMPLETE ANGOLAN COMPLEX

FL201301 Havana Domestic Service in Spanish 1100 GMT 20 Aug 85

[Text] A release from the NATIONAL NEWS AGENCY, AIN, reports from Luanda that the Cuban internationalist construction workers have met their goal to complete the remodeling and construction of the 10 December protocol hall. The complex will be the headquarters for September's nonaligned countries intergovernmental ministerial conference.

PASCAL ALLENDE URGES UNITY AGAINST PINOCHET

FL201240 Havana Domestic Service in Spanish 1100 GMT 20 Aug 85

[Text] Andres Pascal Allende, secretary general of the Movement of the Revolutionary Left, attended in Havana a ceremony for the 20th anniversary of that organization. Pascal Allende pointed out the necessity for all Chileans to unite against Pinochet's tyranny to achieve victory.

INDO-CHINESE ENVOYS HOLD JOINT PRESS CONFERENCE

FL200152 Havana Television Service in Spanish 0000 GMT 20 Aug 85

[Text] A joint press conference was held today in Havana by the diplomatic representatives to Cuba of Cambodia, Laos, and Vietnam to report on the results of the 11th conference of foreign ministers of the three Indo-Chinese countries.

Long Visalo, Cambodian ambassador to Cuba, said the three Indo-Chinese countries are willing to make every effort for peace in the region provided only that these efforts do not lead to the renouncing of the principles of their respective countries. Each and every peace initiative presented by the Asian countries has the support of the three Indo-Chinese nations with, their representatives clarified, the sole exception of the genocidal gang of Pol Pot, who sowed terror and death in Cambodia.

CIA REPORTEDLY TO INFILTRATE NICARAGUAN GROUPS

PA170405 Havana International Service in Spanish 0000 GMT 16 Aug 85

[Report by PRENSA LATINA correspondent Luis Cabrera in Managua -- recorded]

[Text] The CIA has plans to infiltrate new specialized terrorist commandos into the country with the intention of killing Miskito, Sumu, and Rama [Misura] leaders who have agreed to seek peace through a cease-fire in northern Zelaya, and the Miskito leaders who are enthusiastically participating in the Indian autonomy program.

Lieutenatn (Cesar Paiz), chief of the state security in northern Zelaya, said in Puerto Cabezas it was probably that these specialized commandos will penetrate from Honduras. He presented two Misura members who decided to accept the amnesty decreed by the revolution. One of the rebels, Stanford Wilson, known as Yakal Pidni, White Eagle, was an officer in the group of Eduardo Pantin, the first Misura who established negotiations for a cease-fire. Pantin died under mysterious circumstances, in what seems like a CIA-planned plot. Stanford Wilson revealed that Pantin's second in command, Eduardo MacLean, known as Machiksa, has disappeared and he takes it for granted that the man is dead. He revealed that, following Pantin's death, MacLean went to Honduras to tell other Misura groups about the importance of a cease-fire; however, he did not return from Honduran territory. It was also reported in Honduras that Steadman Fagoth and another CIA agent in Honduras have threatened Misura leaders who, along with Pantin, decided to accept the cease-fire and the possibility of joining the Miskito plan for returning to the Coco River, and the program of autonomy for the Atlantic coast.

SALVADORAN GUERRILLAS ORDER TRAFFIC BAN

PA202121 Havana International Service in Spanish 1600 GMT 20 Aug 85

[Text] The transit of private vehicles and buses has been 95 percent paralyzed throughout El Salvador, 24 hours after the guerrilla forces ordered a land transportation ban. The eastern Departments of San Miguel, Usulutan, Morazan, and La Union are the most affected by this measure adopted by the rebels to increase actions against the regime's war economy and prevent the deployment of government troops in the conflict areas. Simultaneously, the increase in sabotages of power lines caused a power outage that affected a large part of the country and resulted in losses for several state enterprises and organizations.

Meanwhile, the Armed Forces high command has confirmed the deployment of several battalions into the northeastern Department of Chalatenango where violent confrontations with the guerrillas have resulted in more than 40 casualties for the government forces in the past 24 hours. Recent reports state that despite the reinforcements, the insurgent forces maintain control over the towns of Santa Rita, Dulce Nombre de Maria, and San Rafael.

BAHAMAS

CHEVRON TO STOP PROCESSING CRUDE OIL

FL201515 Bridgetown CANA in English 1953 GMT 19 Aug 85

[Text] Nassau, Bahamas, Aug 19, CANA -- Chevron Overseas Petroleum Ltd has announced it will stop processing crude oil at its Freeport, Grand Bahama, plant because of mounting losses. Chevron, a 50 per cent shareholder in the Bahamas Oil Refining Company, [BORCO] blamed poor market conditions which it said offered no prospect of future profitability for the company.

The 15-year-old refinery has been operating at progressively lower rates over the last several years. Only 8,000 barrels daily were processed during the entire second quarter of 1985 against an available daily capacity of 350,000 barrels. The Charter Oil Company, which owns the other half of BORCO, stopped processing crude in early 1984. BORCO will, however, continue to operate its oil terminal which includes marine, bunkering, blending, storage and transshipment facilities.

At its peak, the refinery employed over 700 people, less than half of which still remain.

BARBADOS

TRADE MISSION TO VISIT ST LUCIA, PUERTO RICO

FL202014 Bridgetown CANA in English 2007 GMT 20 Aug 85

[Text] Bridgetown, Barbados, Aug 20, CANA -- A trade mission leaves here next Sunday for St Lucia to be followed by one for Puerto Rico next month, the Export Promotion Corporation (EPC) announced today. It is the first time that Barbados is sending a trade mission to the two countries and represents its desire to increase exports, EPC Executive Director Philip Williams told CANA.

Minister of commerce and industry, Louis Tull, will lead the 29 manufacturers to San Juan from September 21 to 28. Williams said the mission will display a number of items including garments, printed products, and building materials. He added that a number of service companies would be participating in the trip, including BWIA [British West Indies Airline], the Trinidad and Tobago air carrier; Caricargo, the cargo carrier; the Central Bank; and the Industrial Development Corporation (IDC). In 1984, Barbados exported 199.3 million dollars (one Bds dollars: 50 U.S. cents) in goods, mainly electronic components, to Puerto Rico. For the first quarter of 1985, the figure stood at 61.4 million dollars.

The EPC official said he is leading the four-day St Lucia mission, which has attracted 15 manufacturers. Products to be displayed in Castries include food products, fibre glass boats, gift items, wire hangers, and roofing tiles. He said Barbados exports to St Lucia last year totalled 11 million dollars, while for the first quarter of this year the figure was put at 3.1 million dollars, compared with 2.2 million dollars for the same period in 1984.

CANADIAN ELECTRONICS FIRM ESTABLISHES SUBSIDIARY

FL171534 Bridgetown CANA in English 1443 GMT 17 Aug 85

[Text] Bridgetown, Barbados, Aug 17, CANA -- At a time when local electronics firms are closing or laying off workers because of a drop in business, the Barbados Industrial Development Corporation (IDC) has announced the setting up of a new factory.

B.E.L. Tronics, a subsidiary of a Canadian firm, will start operations soon with 40 workers, increasing to 100 by the end of the year, the IDC said. The Canadian company is a supplier of microprocessor-based microwave signal high frequency detection systems. The local subsidiary will be managed by a Barbadian.

The IDC also announced that another electronics company planned to add 30 more to its workforce by year end.

Assembled Products Ltd (APL), the only locally owned enclave industry, is currently conducting a marketing exercise in the United States and firming up sub-contracts with American manufacturers to take advantage of the duty-free export provisions of the Caribbean Basin Initiative. The IDC said APL was the only electronics facility in the Eastern Caribbean licensed to manufacture to U.S. military specifications.

The corporation also said its assistance to APL was an example of its continuing emphasis on the promotion of subcontracting ventures for local businessmen in an effort to encourage utilisation of idle plant capacity and expansion of output.

JAMAICA

GOVERNMENT REAFFIRMS OPPOSITION TO APARTHEID

FL201623 Bridgetown CANA in English 1932 GMT 19 Aug 85

[Text] Kingston, Jamaica, Aug 19, CANA -- Jamaica has again reaffirmed its opposition to apartheid as practised in South Africa and, in an apparent reference to developments there, said that cosmetic changes to the system are not good enough.

The country's position was spelled out by Deputy Prime Minister and Minister of Foreign Affairs Hugh Shearer on Saturday night in the resort city of Montego Bay.

Addressing the closing banquet of the eighth annual convention of the National Association of Jamaican and Supportive Organizations (Najaso), he said there will have to be positive changes, including a dismantling of the apartheid system, and black Africans must be allowed to vote on a one-man basis.

He said that he hoped the awakening of the international conscience will enable an early solution which achieves justice [and halts] the repression and violence which have been noticeable in recent months.

Speaking on Friday to the same group, a body of United States-Caribbean goodwill advocates led mainly by Jamaicans residing in the United States, People's National Party (PNP) President Michael Manley commended the American people for what he said was their action in pressuring their Congress into passing legislation proposing economic sanctions against South Africa.

Condemning apartheid, he said that they should bring pressure on President Ronald Reagan, since when Congress resumes, a joint bill with some compromise will be put before it. The President will have to take a stand then, he said. Negroes in the free world, he said, will not be free until their brothers in South Africa are.

ST VINCENT AND THE GRENADINES

POLICE STEP UP CAMPAIGN AGAINST DRUG CULTIVATORS

FL201815 Bridgetown CANA in English 2222 GMT 19 Aug 85

[By Michael Findlay]

[Text] Kingstown, St Vincent, Aug 19, CANA -- In a stepped-up campaign against marijuana cultivators here, police say they have uprooted and burnt some 54,543 full grown marijuana trees in six different areas of St Vincent between July 9 and 25 this year.

In four separate raids in Camden Park Mountain just outside the capital, Kingstown, cultivations of 21,000, 15,000, 12,000 and 1,500 trees were found. Another 3,000 trees were discovered in the Chateaubelair area, more than 24 miles northwest of Kingstown. Some 1,500 trees were uprooted at Vermont, ten miles northwest of the capital, while cultivations of between 52 and 410 trees were discovered in other areas including the Montrose suburb of Kingstown. A reliable source here said the trees would have produced more than 27,000 pounds of cured marijuana, which could have fetched as much as EC11 million dollars (one EC dollar: 37 cents U.S.) at the current street price here for the drug.

Recent statistics here reflect an increase in the number of arrests and convictions for marijuana-related offences. They rose from 53 arrests and 41 convictions in 1981 to 122 arrests and 94 convictions in 1983. Between 1981 and August 10 this year, a total of 468 arrests had been made, 323 of them resulting in convictions. The convicts included five juveniles, three of whom were placed on probation. The other two received 12 and 7 strokes of the cane respectively. Most of those convicted were fined between EC1,000 dollars and 4,000 dollars, all fines being payable forthwith.

The maximum fine allowed for summary conviction for first and second offenders is not more than 4,000 dollars. The law also provides for prison terms of between six months and two years. For indictable drug offences, the penalty ranges from fines of up to 5,000 dollars to prison terms of up to 10 years. The majority of offenders here are from the Caribbean, North America and Europe.

St Vincent and the Grenadines' drug problem is primarily in marijuana, but there have been unconfirmed reports of harder drugs such as cocaine being smuggled into the country.

TRINIDAD AND TOBAGO

WILLIAMS SAYS OIL REVENUES USED TO CREATE JOBS

FL202046 Bridgetown CANA in English 0010 GMT 19 Aug 85

[Text] Port-of-Spain, Trinidad, Aug 19, CANA -- The Trinidad and Tobago Government says it poured about 20 per cent of the 40 billion dollars (one TT dollar: 41 U.S. cents) earned from oil revenues into creating or maintaining jobs in the country's state enterprises.

State Enterprises Minister Ronald Williams gave what he said were unaudited figures as he addressed a constituency branch meeting of the ruling People's National Movement (PNM). Responding to what he said was criticism of the PNM's contribution to developing the business sector here, Williams asserted that it was his party, rather than the private sector, which developed Trinidad and Tobago's natural resources.

State enterprises, he said, employ some 32,000 people with 160,000 others depending on them, earning one billion dollars and paying income tax totalling some 300 million dollars. Declared the minister: The idiots ask what happened to the 40 billion we got from the petro-dollars; let them know the facts. The idiots imply that 40 billion went down in state enterprises; it was 8 billion dollars to make 32,000 jobs.

Williams said that government had interests in some 64 companies in the energy-based sector, finance, transport and communications, and agro and agro-based manufacturing industries. In the energy sector, he said, seven of these firms made profits totalling 376.2 million in 1984. These included the Trinidad and Tobago Oil Company (Trintoc), the National Gas Company, and National Petroleum. The overall profit in this sector was 137 million with companies such as the iron and steel company -- Iscott -- making a 176 million dollar loss.

In the finance sector, seven enterprises made a 25.9 million dollar profit for 1984, with three making a 175.8 million dollar loss leading to an overall 149.9 million dollar loss. The agro-based sector recorded a loss of 340.8 million dollars with sugar company, Caroni, contributing 290 million dollars of this deficit.

We of the PNM are honest and direct with the people, said Williams, we tell you the truth, we don't lie like some people from the smaller islands.

TTMA ISSUES STATEMENT AFTER TALKS WITH JAMAICA

FL201811 Bridgetown CANA in English 2349 GMT 19 Aug 85

[Text] Port-of-Spain, Trinidad, Aug 19, CANA -- The Trinidad and Tobago Manufacturers Association (TTMA) today issued the following statement, following talks here last week between itself and a mission from Jamaica led by Director of Commerce in the Industry Ministry Hugh Bonnick:

Bilateral discussions towards increasing trade between Trinidad and Tobago and Jamaica ended in Port-of-Spain on Friday, August 16, 1985. The delegations of both sides included officials of government and representatives of the private sector. The Jamaican delegation gave the assurance, on behalf of its government, that the government will guarantee the availability of foreign exchange to accommodate all imports from Trinidad and Tobago covered by the agreement, at least up to a value of U.S. 40 million dollars. As a further measure, the Jamaican Government undertook to remove all imports from Trinidad and Tobago from its schedule of payments.

It was further indicated that the recent protective measures introduced in Jamaica, which provide for additional tariffs on goods imported from third countries, would give a significant advantage to Trinidad and Tobago products over third country imports. In the circumstances, the claim was put forward that the combined effects of the undertakings and tariff protection offers a meaningful opportunity to Trinidad and Tobago manufacturers. Consequently, TTMA would mount a mission of its manufacturers to Jamaica in early September to test the assurances given, and to ascertain the validity of the claim that the Jamaican market offers a significant opportunity to our manufacturers.

Representatives of the private sector of Jamaica also undertook to assist Trinidad and Tobago exporters with any payments problems which may arise, and which may be attributable to importers in Jamaica.

Trinidad and Tobago, on its part, will undertake the prompt issue of licences in respect of specific imports from Jamaica, and to harmonise the issue of licences with the Exchange Control system. The operation of the agreement would be monitored on a quarterly basis.

HOYTE WARNS OF ATTEMPTS TO 'SUBVERT' COUNTRY

FL1201300 Bridgetown CANA in English 20006 GMT 19 Aug 85

[By Clem David]

[Text] Georgetown, Guyana, Aug 19, CANA -- Guyana's ruling People's National Congress (PNC) has opened its sixth biennial congress complaining of new efforts to subvert the Armed Forces and important government officials. The congress, which runs for eight days, opened yesterday at the Sofia Convention Centre, eastern Georgetown, almost two weeks after the death of former President Forbes Burnham.

New President Desmond Hoyte told the more than 3,000 delegates and observers; There are frenzied activities being mounted to subvert our country. Our enemies never sleep; they are always on the lookout for opportunities for mischief. He added: At present, there is a skillfully organised campaign to tamper with the loyalty of senior public sector administrators and managers, and attempts have been made to subvert party cadres and officers on the security forces. He did not identify those responsible, but asserted there were external and internal dangers against the peaceful conditions in this country.

Hoyte also charged there were efforts to subvert the nationalised industries, mainly bauxite and rice, and warned these would be severely dealt with.

Hoyte told the large gathering that the classic technique of undermining public confidence by spreading rumours and other forms of disinformation was very much in evidence. We have been hearing that our party has factions, that there are personality conflicts, that a power struggle is going on, that one party leader has fled the country, or has cardiac problems or lung troubles, he remarked. All of these things are not accidental. They are designed to strike at the confidence of the public and the unity of the party.

President Hoyte said there had been an orchestrated media campaign overseas to discredit our leaders about our policies and deny our achievements. He urged party members to become security conscious, while warning that the destabilisers strike at the minds of our people to confuse and demoralise them. We have to educate and strengthen the will of the masses, declared Hoyte, who has taken over as head of the PNC after 21 consecugive years under Burnham, who died August 6 of heart failure following a throat operation.

The Guyana president also urged the PNC to start campaigning for the next general elections, due by March 1986, saying: The immediate task facing the People's National Congress is to campaign for the next general election. The People's National Congress must win that election.

GROUPS QUESTION CIRCUMSTANCES OF BURNHAM'S DEATH

FL161449 Bonaire Trans World Radio in English 1130 GMT 16 Aug 85

[Text] Guyana's Working People's Alliance is calling for a public inquest into the death of President Forbes Burnham. President Burnham died August 6th during an operation on his throat at the state-run Georgetown Hospital. The opposition group statement coincides with another report on the Guyanese leader's death which was published in the party's weekly organ called OPEN WORD. The OPEN WORD article raised a number of questions regarding what happened during and after the operation on Mr Burnham.

ECUADOR

MINISTER DENIES SPLIT SOUGHT WITHIN ANDEAN PACT

PA200259 Quito Radio Quito in Spanish 2300 GMT 19 Aug 85

[Text] Industry, Commerce, and Integration Minister Xavier Neira tacitly denied that an initiative exists by Ecuador to cause a split within the Andean Pact. On the contrary, the state minister emphasized, our integrationist attitude has been fully demonstrated in having proposed reforms to the agreements and substantial modifications to Decision 24 [not further identified].

VENEZUELA

FINANCE MINISTER SAYS CREDIT RATING RECOVERED

PA170233 Caracas Television Service in Spanish 0000 GMT 16 Aug 85

[Text] Venezuela has recovered its international credit since in September the refinancing agreements will be signed. This was stated by Finance Minister Manuel Azpurua Arreaza in a meeting with the members of the Venezuelan-American Chamber of Industry and Commerce. The minister said that the government has handled the refinancing of the public debt and the process of revision of the private foreign debt with seriousness and firm decisions. The finance minister added that the strategy of the national government has been to achieve conditions that will permit the country to meet its foreign obligations in a responsible manner. The way in which the refinancing was agreed upon enables Venezuela to resort to foreign credit in the future but of course, without excessively resorting to it, he added.

ANTI-CASTORITE FUGITIVE NOT TO BE GIVEN SAFE-CONDUCT

PA200015 Paris AFP in Spanish 2240 GMT 19 Aug 85

[Text] Caracas, 19 Aug (AFP) -- Interior Minister Octavio Lepage said today that because he is a common criminal, anti-Castorite fugitive Luis Posada will not be granted a safe-conduct pass if he should seek asylum at any foreign embassy. Posada escaped from the San Juan de los Morros prison, 139 km south of this capital, and he is being sought by all police corps, even though Lepage said: "It is difficult to ascertain whether Posada is still in the country."

Lepage added: "The accomplices in the escape of the anti-Castorite fugitive (involved in the explosion of a Cubana de Aviacion plane in 1976), will be punished according to their participation in the action. Meanwhile, the minister rejected the possibility that he will resign because of the escape of Posada, as requested by former Christian Democrat President Luis Herrera.